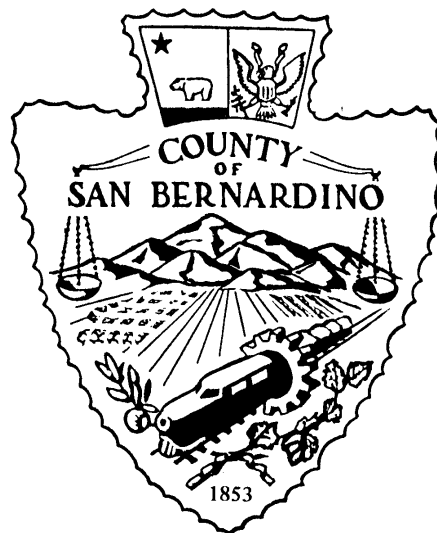


COUNTY OF SAN BERNARDINO

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR THE 2003-2004 ACTION PLAN

The Accomplishments and Activities Carried Out Under the
2000-2005 Consolidated Plan for San Bernardino County's
Housing, Economic, and Community Development Grant
Programs



Department of Economic and Community Development

September 28, 2004

COUNTY OF SAN BERNARDINO

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR THE 2003-2004 ACTION PLAN

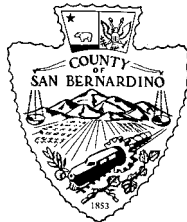
**Accomplishments and Activities Carried Out Under the
Consolidated Plan for San Bernardino County's Housing,
Economic, and Community Development
Grant Programs**

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APPENDICES

REQUIRED REPORTS

Other Reports:

- A- HOME Match Report
- B- Annual Performance Report – HOME Program
- C- ESG Match Report and ESG Obligations Report

Integrated Disbursement and Information System (IDIS) Reports:

- D- CDBG Financial Summary for Year 2003 (C04PR26)
- E- Program Year 2003 Summary of Accomplishments (C04PR23)
- F Summary of Consolidated Plan Projects for Report Year 2003 (C04PR06)
- G- CDBG Activity Summary Report (GPR) for Program Year 2003 (C04PR03)

PUBLIC REVIEW

H- August 24, 2004 Board of Supervisors Record of Action to Schedule Public Hearing

I- Notice of Hearing

J- September 14, 2004, Public Hearing Report to the Board of Supervisors - Annual Performance Review

Welcome

Each year the County of San Bernardino receives grant funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), and the HOME Investment Partnership Act (HOME) programs. These funds are used to meet the primary objective of developing viable communities by providing decent housing, suitable living environments and expanded economic opportunities, principally for low- and moderate-income persons. For the 2003-04 Program Year, which began on July 1, 2003, the County received an \$9,759,000 CDBG allocation, a \$278,000 ESG allocation and a \$4,722,130 HOME allocation. To program the use of these funds, the County submitted a one-year Action Plan as part of its 2003-04 Consolidated Plan Grant Application to HUD.

This Consolidated Annual Performance and Evaluation Report (CAPER) for the County of San Bernardino is prepared in order to report the programs, projects and activities carried out by the County during this past year to meet the federally established goal of developing viable communities. It identifies the County's 2003-04 Consolidated Plan program goals and objectives, and provides an overall assessment of the County's attainment of these established goals. The overall assessment of our goal attainment contains accomplishments for each project either undertaken or continued in the 2003-04 program year. As part of the self-evaluation included with this CAPER, we determine whether the established long-term objectives are meeting current needs and discuss adjustments to strategies and activities, if any, in order to meet the various goals and strategies outlined in the 2003-04 Consolidated Plan more effectively. An easy to read version of our Annual Performance Review (APR) has been published and presented, so that citizens will have a written report of prior, continuing, and proposed County accomplishments using the grant funds, to review and comment on prior to submission of this CAPER.

The APR is contained in Appendix C of this document. It was presented to the County Board of Supervisors at a public hearing on September 14, 2004. A Notice of Hearing published in 22 newspapers throughout the County on or before September 1, 2004, announced this presentation. The public was invited to review the APR and submit comments on it during a two-week period before and including the date of the public hearing. Comments received are included within this combined submittal of detailed CDBG, ESG and HOME Program Annual Reports.

Introduction and Goals Assessment

The County of San Bernardino has qualified annually since 1975 to receive federal housing and community development grant funds from the U.S. Department of Housing and Urban Development (HUD). In 2002, HUD renewed the County's qualification to receive these funds during the 2003 and 2004 fiscal years under the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and HOME Investment Partnerships Act (HOME) programs. The City of Riverside receives Housing Opportunities for Persons With AIDS (HOPWA) grant funds from HUD to fund programs in both Riverside County and San Bernardino County. The City of Riverside is responsible for reporting Annual Program Performance for HOPWA activities in San Bernardino County.

The County adopted its current Consolidated Plan in 2000 under the HUD Community Planning and Development (CPD) grants program. To receive the fiscal year 2003-04 CDBG, ESG, and HOME grant funds, County ECD prepared a consolidated grant application called the 2003-04 Action Plan. This plan has the purpose of implementing the fourth year increment of the County's 2000-2005 Consolidated Plan. On April 15, 2003 the County of San Bernardino Board of Supervisors approved the 2003-04 Action Plan. Upon completion of the public review period and after all comments were received and considered, the final Consolidated Plan was submitted to HUD on May 30, 2003, for funding approval.

The CDBG, ESG and HOME funds received by the County in 2003-04 were for eligible projects in the unincorporated communities. These funds also were available for the thirteen (13) cities that have been approved by HUD to cooperate in the County's CDBG program. These cities are Adelanto, Barstow, Big Bear Lake, Colton, Grand Terrace, Highland, Loma Linda, Montclair, Needles, Redlands, Twentynine Palms, Yucaipa, and the Town of Yucca Valley. For the purpose of these grant funds, this area is referred to as the County Consortium. The County Department of Economic and Community Development (ECD) has the primary responsibility of administering these grant programs. In addition to the thirteen (13) CDBG – cooperating cities, the Home Program included the cities of Rancho Cucamonga, and Rialto.

The grant funds are used to develop viable communities by providing decent housing, suitable living environments, and expanded economic opportunities, principally for low- and moderate-income persons. San Bernardino County pursues the national goals established for use of these federal housing, economic, and community development grant funds through the implementation of our Strategic Plan, as contained in Section II of the Consolidated Plan. The County of San Bernardino will continue its endeavor towards the accomplishment of its stated goals, as follows:

Provide Homelessness Prevention and Assistance through a Continuum of Care System

- **Strategy 1:** Implement a Continuum of Care System to provide a comprehensive response to the different needs of homeless individuals and families through a four-step process: outreach and assessment of needs; provision of safe shelter; provision of transitional housing and social services; and permanent housing

Provide Decent, Affordable Housing

- **Strategy 1:** Expand the supply of affordable housing in order to provide a larger supply to extremely low- and low-income households
- **Strategy 2:** Assist in reducing housing costs for extremely low- and low-income households by narrowing the gap between housing costs and income through the use of demand-based direct assistance
- **Strategy 3:** Preserve the existing housing stock and affordable units in order to maintain the quality of the existing housing inventory and keep properties from going to market rate.

Assist Special Needs Housing

- **Strategy 1:** Facilitate development / rehabilitation for special needs housing, thus increasing the supply and improving the quality of housing for persons who have limited or fixed incomes, and are consequently severely affected by rising housing costs
- **Strategy 2:** Affirmatively further fair housing to ensure equal access to housing for special needs groups
- **Strategy 3:** Overcome the effects of identified impediments to fair housing choice

Assist with Non-Housing Community Development

- **Strategy 1:** Improve the health and welfare of target neighborhoods and augment the availability of needed local services to low- and moderate-income persons through provisions for quality public facilities
- **Strategy 2:** Improve the safety and livability of target neighborhoods and provide economic development growth incentives by upgrading, replacing or developing necessary infrastructure systems
- **Strategy 3:** Develop a diverse network of needed public services directed toward enhancing the health, safety and overall well being of low- and moderate-income persons
- **Strategy 4:** Assist governmental agencies in complying with the Americans With Disabilities Act (ADA) through identifying and eliminating barriers which restrict the mobility and accessibility of elderly and handicapped persons
- **Strategy 5:** Encourage and support the restoration and preservation of sites and structures which have historic significance when such activities comply with the CDBG program national objectives

- **Strategy 6:** Promote the long term economic viability and stability of communities throughout the County Consortium and expand employment opportunities for low- and moderate-income persons
- **Strategy 7:** Improve the safety and viability of target neighborhoods through provision of code enforcement activities coupled with programs which abate blight and blighting influences

Revitalize Neighborhoods and Eradicate Blight through the Neighborhood Initiative Program

- **Strategy 1:** Through the Neighborhood Initiative, a national pilot program using concentrated assistance and new methods and initiatives, revitalize neighborhoods and eradicate blight. Implement this through the following processes: develop intergovernmental housing programs; obtain lending institution participation through pledges of funds under the Community Reinvestment Act (CRA) requirements; secure the assistance of national and local non-profit agencies; encourage local realtors, contractors, businesses, and organizations to assist with program implementation

During the 2003-04 program year, the County of San Bernardino entered numerous contracts to design, construct and rehabilitate public facilities and housing units, to provide public services in local communities and to create new jobs for low- and moderate-income persons. The results of these efforts, implemented by non-profit organizations, cities and County departments, are presented in this Consolidated Annual Performance and Evaluation Report (CAPER). Many programs and projects completed in 2003-04 were funded under prior year plans. In some cases, these completed projects are located in cities that now receive grant funds directly from HUD. Additionally, many programs and projects begun under the 2003-04 plan will continue into the future.

Summary of Accomplishments

During the 2003-04 program year beginning July 1, 2003 and continuing through June 30, 2004, the County of San Bernardino received U.S. Department of Housing and Urban Development (HUD) Entitlement Grants totaling \$14,759,130. An additional \$1,638,940 of program income was anticipated during the year from prior program year CDBG funded County activities. As stated previously in this CAPER, our goal is to develop viable communities, principally for low- and moderate-income persons, by providing decent housing, suitable living environments, and expanded economic opportunities.

Summary of Expenditures

CDBG - \$10,241,461 spent on 231 Housing, Economic and Community Development projects and loans

During the 2003-04 program year, the County of San Bernardino expended a total of **\$1,959,768** to provide decent housing, **\$6,481,616** in order to provide suitable living environments, and **\$1,800,077** to expand economic opportunities. Funds spent to attain the strategies, as listed in the Introduction, through specific projects, programs, and activities, are given in detail later in this report.

CDBG - \$2,270,385 spent to administer the CDBG program

CDBG – Received \$3,086,285 of Program Income, which includes \$74,015 in Section 108 loan re-payments

HOME - \$7,094,144 spent on 4 Housing programs; \$369,421 spent to administer HOME under the 2003-04 grant.

ESG - \$263,040 spent under contracts with 10 Homeless Shelter agencies; \$5,726 spent to administer ESG

Summary of Results

Housing Projects

HOME Program Results

- Home Buyers Assistance Program - 32 families
- Tenant Assistance Program - 142 families
- Rental Property Rehabilitation - 36 units

CDBG Housing Program Results

- Senior Home Repair Program - 272 homes
- Housing Rehabilitation Loan Program - 60 homes

Homeless Prevention and Assistance

ESG Program Results

- Emergency Shelter – 25,743 shelter nights

CDBG Program Results

- Emergency Shelter and Meals – 4,173 persons
- Domestic Violence Shelter - 1,069 women and their children
- Homelessness Prevention - 303 persons

CDBG Funded Facility Improvements

43 Facilities

- 8 Senior Centers and 9 Neighborhood facilities improved
- 1 Child Care facilities and 1 Youth facility improved
- 10 Park and Recreation facilities improved
- 3 Fire and Safety Equipment purchases underway
- 4 Fire Stations improvements underway
- 3 Social Care facilities
- 2 Facilities received ADA improvements
- 2 Facilities received Historic Preservation improvements

CDBG Funded Structure Projects

14 Infrastructure Projects

- 1 Storm Drain projects under construction
- 6 Street projects improved paving and drainage
- 4 Sidewalk projects completed and under construction
- 3 Neighborhood Revitalization projects designed or under construction

CDBG Funded Public Services

92 Public Service Programs

- 7,268 Senior Citizens and Disabled persons benefited by 26 agencies
- 19,042 Children and youth served by 39 agencies
- 3,390 Persons received Social Services and Counseling by 11 agencies
- 5,585 Persons helped through Literacy and Referral services by 8 agencies providing 25 programs
- 386 Youth received Crisis Intervention and Counseling or Substance Abuse Prevention Education by 3 agencies

- 3,223 Persons received Fair Housing counseling and Landlord/Tenant mediation services

CDBG Funded Community Projects

9 Community Programs

- 1,760 Properties received Code Enforcement inspections through 2 programs
- 15 Unsafe structures removed under 2 programs
- Debris, trash and abandoned vehicles removed from 2 sites under 1 programs
- Graffiti abated at 19,574 locations through 4 programs

CDBG Economic Development

10 Business Loans – Continued historically low interest rates have reduced demand for affordable financial assistance from government to businesses

- 7 Small Business Enhancement Loans creating 11 permanent jobs
- Micro-Enterprise Business Loan funded in previous years created 2 new positions.
- Section 108 Loans funded in previous years created 7 new positions.
- 1,353 Small Business received Technical assistance

Float Loan to Moss Brothers Ford in Colton

- \$1,000,000 of interim financing, retaining 110 jobs and creating 34 new jobs. No new loans were provided, however, the existing Business created an additional 17 new positions this program year.

Public Benefit

- Aggregate public benefit standard met, at the rate of one (1) job created or retained per \$19,278 of CDBG funds expended

Accomplishments Under the 2003-04 Action Plan

For the 2003-04 program year, San Bernardino County administered its federal grant funds in a manner consistent with the National Objectives of the Housing and Community Development Act of 1974, as amended. One hundred percent of our CDBG funds were spent on activities that either benefited low- and moderate-income persons, or aided in the prevention or elimination of slums or blight. Activities directly or indirectly benefiting low- and moderate-income persons accounted for 96.2% of the CDBG funds. The other 3.8% went to activities that aided in the elimination of slums or blight. Funds were not spent on urgent conditions posing a serious and immediate threat to community health and safety.

Using census tract income data, areas throughout the County in which at least 51% of the population met the low-income or moderate-income criteria were identified and established as target areas. In order to maximize the benefit to low- and moderate-income persons, project activities have been and continue to be located predominately within these target areas. Exceptions to projects being located in target areas include programs that have income qualification requirements for direct benefits to participants. Another exception to the target area location is the expansion of economic opportunities, which are located where the greatest number of jobs can be created and made available to low- and moderate-income persons.

Although the 2003-04 Action Plan identified local housing, economic, and community development needs, a countywide request for Year 2003-04 project proposals helped to identify additional needs. When ECD received proposed project applications, ECD staff evaluated them to determine whether they would meet a national objective, and meet program eligibility requirements, and whether they appeared cost effective. To accomplish the overall goal of developing viable urban communities, the project activities selected for funding were the ones deemed most necessary to meet needs as identified. The County used its 2003-04 and prior year HOME Investment Partnerships Act (HOME), Emergency Shelter Grant (ESG), and Community Development Block Grant (CDBG) funds to implement the identified strategies in order to accomplish the stated goals. The 2000-05 Consolidated Plan strategies are for the five-year Consolidated Plan adopted in April 2000. Several strategies in the plan are projected to cover the five-year period, and are reported to reflect the progress to date. The remaining strategies call for annual accomplishments.

Decent, Affordable Housing

The United States Department of Housing and Urban Development makes federal funds available to the County and to other governmental entities and non-profit organizations, for the purpose of providing decent, affordable housing to low-income and extremely low-income households, including the homeless. To ensure that all federal funds provided for this purpose are directed to areas of greatest need, the County is required to prepare and administer a Consolidated Plan.

In the Consolidated Plan, the results of the County's analysis of housing needs are presented and priorities are established for using available federal funds to address the most urgent housing and homeless needs that exist. The County has developed specific strategies for addressing these needs and priorities. The strategies are set forth in the Consolidated Plan, along with the mechanisms and programs administered by the County's Department of Economic and Community Development and others, using federal funds and other local public and private funds, to address the highest priority needs.

The Consolidated Plan also includes an annual Action Plan that outlines the proposed use of federal funds anticipated to be received through the HOME Investment Partnerships Program (HOME), Community Development Block Grant Program (CDBG) and the Emergency Shelter Grant Program (ESG). The Department of Economic and Community Development annually reports on its progress in implementing specific strategies and utilizing the HOME, CDBG and ESG funds that it administers.

A summary report of annual accomplishments under the specific programs administered by ECD that address the strategies outlined in the Consolidated Plan is included in the Appendixes. The summary report notes the five-year goals for each program, the proposed funding, and the proposed accomplishments for FY 2003/04, and provides information on actual accomplishments for the year, and for the full five-year plan period.

More detailed information on the programs administered by ECD is presented in this report. Additionally, information on a number of housing and homeless related activities carried out by other governmental entities and non-profits is also included in this section. This information includes activities carried out by the Housing Authority of San Bernardino County in its capacity as the local provider of public housing, and by the Community Action Partnership of San Bernardino County (formerly Community Services Department) in its dual role of administering the County's Anti-Poverty Strategy and heading the Homeless Coalition.

Other housing reporting requirements are also addressed in this section. These include information on Fair Housing activities, the Continuum of Care System for the Homeless, progress in obtaining other public and private resources, outreach to minority- and women-owned businesses, and other actions taken by the County.

Housing Needs

The three (3) major components of housing need identified in the Consolidated Plan are affordability, substandard housing, and overcrowding. (Households experiencing one or more of these conditions are defined as meeting federal preferences for housing assistance under many HUD-funded programs.) Homelessness represents the most extreme type of housing need. In addition, the homeless have needs for various types of supportive services to help them. (HUD provides funds under several programs to provide housing and support services for the homeless.)

Housing affordability is an overwhelming problem faced by households in the County. “Cost burden” and “severe cost burden” are two indicators of the degree to which households experience this problem. (Cost burdened households are defined as households that spend more than 30 percent of their income on housing costs, and severely cost burdened households are defined as households paying more than 50 percent of their income on housing costs.) Lower income households experience cost burden and severe cost burden most frequently, as they have less total income to allocate to various expenditures, including housing. Cost burden and severe cost burden are more prevalent among renters than homeowners. In the past few years, housing costs have skyrocketed. The housing affordability index has been cut nearly in half, meaning nearly half the families who could afford a house, just a year or two ago, can no longer afford a house.

Substandard housing and overcrowding is both significant housing problems for lower income households. The lower the household income, the less money there is for a homeowner to spend on household repair and maintenance after other necessary expenditures for food, transportation, clothing, and medicine. Lower income renter households may be forced by economic necessity to live in rental units that are substandard. A disproportionate number of lower income households reside in the oldest housing stock, which is more likely to be substandard and/or contain lead-based paint hazards.

Overcrowding is often directly linked to housing affordability and disproportionately affects lower income renter families. Large families are also more likely to experience overcrowding. Families that are unable to afford larger units are forced by necessity to rent units that are too small to meet their needs. In addition, grown children may not have the means to achieve independent living and therefore continue to live at home. Finally, financial constraints and/or home care needs of the elderly might result in doubling up of households.

Other Special Housing Needs

While census data indicate that Black and Hispanic renter households are not disproportionately impacted by housing problems compared to other renter households with similar incomes, this does not suggest that these households do not experience significant housing problems. Minority renters often have to deal with discrimination in addition to affordability issues. Census data on housing problems of owner households show that

Black and Hispanic owner households are disproportionately impacted compared to other owner households with similar income.

Other categories of households that are disadvantaged in finding decent, affordable housing include large families, single persons, the elderly, and the disabled (including persons with HIV/AIDS).

Large households, defined as households with five (5) or more persons, are considered a special needs group because they require larger dwelling units. Difficulties in securing housing large enough to accommodate all members of a household are heightened for renters, because rental units are typically smaller than single-family units.

Housing affordability is a great concern for elderly households (renters in particular) on fixed incomes, as housing prices generally increase at faster rates than incremental income adjustments. In addition, the elderly often have special needs relative to housing construction and location, and require ramps and handrails to allow greater access and mobility. Locating elderly housing close to public facilities and public transportation facilities is also important to facilitate mobility throughout the community.

Persons with disabilities also experience significant special needs relative to housing. The two major housing needs of the disabled are access and affordability. Access is particularly important to the physically disabled. Physically handicapped person often require specially designed dwellings to permit access both within the unit, as well as to and from the site. The developmentally disabled, persons with severe mental illness, and persons with alcohol or other drug additions also encounter serious limitations in obtaining affordable housing, especially housing that also allows easy access to necessary support services.

A Ryan White Needs Assessment conducted in the County showed that housing is a top priority among persons afflicted with HIV/AIDS. The central housing problem of this population (a subset of the disabled population) is housing affordability. Access to social services and medical facilities is also an issue, as a large percent of this population is transportation-dependent, the same as many persons with other disabilities.

Homeless Needs

The housing needs of the homeless and low-income individuals and families with children who are currently housed but threatened with homelessness are also significant. The homeless population is a diverse group ranging from persons who were “de-institutionalized” from public facilities and have difficulty adjusting to community life, to families who were pushed into the ranks of the homeless because of a severe economic or social disruption e.g., the loss of a job or spouse.

Homeless subpopulations include persons who are mentally ill and/or severely mentally disabled, persons who suffer from alcohol or other drug addiction, persons who are fleeing domestic violence, homeless youth, and persons diagnosed with HIV/AIDS and related diseases.

The largest homeless subpopulation with special housing needs is persons afflicted with mental illness. This group also has a great need for intensive case management to secure and maintain the mentally ill individual's basic needs and overall stability.

Alcohol and drug abusers constitute a large percentage of the homeless population. This group also crosses over into other homeless categories, particularly the mentally ill. Homeless substance abusers require a variety of special services, the most important of which may be counseling and job training. Inadequate income stemming from an inability to maintain a job is generally the biggest obstacle to housing for this subpopulation.

Victims of domestic violence often lack adequate resources to live independently. Women (and their children) who attempt to leave violent domestic situations may not have many housing options or resources, and consequently may become homeless. The provision of safe, temporary shelter is the greatest need of this subpopulation. Several agencies provide domestic violence services to San Bernardino County residents, from crisis intervention to rape treatment, counseling, and temporary shelter services. These clients require a variety of services, including childcare, counseling, job training, and shelter.

Runaways and abandoned youths are the most difficult group of homeless to estimate. Their main needs include shelter, counseling, education, job training, and substance abuse-treatment (as many are alcohol and drug abusers).

Persons with HIV/AIDS are a relatively recent subset of the homeless population. Significant numbers of persons with HIV/AIDS are homeless or threatened with homelessness. The total number of HIV/AIDS persons who are homeless or at risk of becoming homeless is unknown. However, sufficient data exist to strongly suggest that a substantial number of persons with HIV/AIDS and related diseases are in need of housing assistance and supportive services.

The Ryan White Title II Consortia has identified the provision of housing for HIV/AIDS persons and their families as the highest priority need for funding under the HOPWA program. Needed supportive housing services include short-term rent, mortgage and utility payments, information services, resource identification, project-based and tenant-based rental assistance, transitional housing, and single room occupancy units.

Support Services for the Homeless

A wide array of diverse services are needed to give the homeless an opportunity to become self-sufficient members of the community. The San Bernardino County Homeless Coalition was formed in 1991, which brought together a wide range of governmental and non-profit service providers with the common goal to develop a countywide system that nurtures and strengthens the services available for homeless persons. Members of the Homeless Coalition are working together to develop a continuum of care system that will serve the various needs of the homeless.

Persons at Risk of Homelessness

Persons at risk of homelessness also need assistance to prevent becoming homeless. Those most at risk of becoming homeless are extremely low-income households experiencing severe cost burden. These households, which include the elderly, small families, and large families, are at greatest risk because any disruption in their income could severely impair their ability to pay for housing.

Priorities

In order to meet our objective of providing decent, affordable housing, the County implemented the strategies, as identified in the 2003-2004 Consolidated Plan, and listed previously herein, through the following activities and programs.

- Expand housing opportunities for households earning 30 percent or less of the area median income
- Provide decent, safe, and sanitary housing
- Provide housing assistance to the homeless through the development of a continuum of care system
- Allocate funding to provide for special housing needs assistance to facilitate housing that accommodates lower income, special needs groups (disabled, and elderly households) who often have special space and location requirements
- Develop and implement programs which address priority needs of low-income residents (employment, income management, housing, emergency services, nutrition, and family self-sufficiency)
- Significantly reduce or eliminate lead-based paint hazards and prevent childhood lead poisoning

Strategies, Mechanisms and Programs

Expand the supply of affordable housing through new construction and/or rehabilitation. Support activities of non-profit developers and the Housing Authority, which provide affordable housing. Provide incentives, including bond financing, density bonus, priority processing, and fee waivers to developers in order to stimulate production and/or remove obstacles to the provision of additional affordable units. Utilize Revenue Bond Financing for New Construction, HOME Homebuyer (Homeownership Assistance) Program, CHDO New Construction and Acquisition / Rehab, Land Banking, Planning Area Studies, Housing Incentives Program (HIP), and priority permit processing for Affordable Housing. The County is looking into forming a new joint powers authority so as to enable County residents to take advantage of a lease purchase program.

Reduce housing costs to extremely low- and low-income households. Provide rental- and energy-assistance programs that effectively increase spendable household income by

reducing out-of-pocket housing and utility costs. Utilize Public Housing, Section 8 Programs (Certificates and Vouchers), HOME Tenant-Based Assistance (Monthly Rent Subsidies and Security / Utility Deposit Assistance), and Insulation and Weatherization Program.

Preserve existing stock and affordable units. Retain affordable housing stock through the conversion of bond set-aside units to market-rate may significantly impact the supply of affordable housing. Maintain the quality of the existing housing inventory by utilizing the HOME Rental Property Rehabilitation Program, CDBG Housing Rehabilitation Program(s), Public Housing Resident Initiatives and Improvements, Apartment and Mobilehome Park Conversion Standards, Abatement of Nonconforming Uses, Occupancy Inspection, and Rental Depreciation Tax Credit.

Develop a Continuum of Care System to address homelessness. Develop a continuum of care system, since the best approach to alleviating homelessness is a community based process that provides a comprehensive response to the different needs of homeless individuals and families. The continuum of care system will involve coordinated public and private efforts to avoid duplication of services and fill gaps in services.

Support Department of Public Health's role with respect to HOPWA funded activities and related services to individuals with AIDS and HIV. Encourage the Department of Public Health in its role as project sponsor for activities carried out in the county area by subrecipients of HOPWA funds from the City of Riverside in fostering development of a continuum of home and community based care for individuals with HIV/AIDS.

Utilize the same mechanisms and programs available to address general housing needs to also meet the needs of elderly, large households, and disabled persons. HOME- and CDBG-funded activities are distributed on a first-come, first-served basis. ECD's Housing Finance Division targets special needs service providers in notifications of requests for proposals and advertises in local papers and papers that serve subpopulations e.g., Hispanic newspapers.

Facilitate development/rehabilitation of special needs housing. Take into account the special space and location requirements of disabled and elderly households. Utilize the CDBG Senior Repair Program, Section 8 Aftercare Rental Assistance, HOME TBA Rental Assistance Program, Priority in Multi-family Rehabilitation for Barrier-Free Housing.

Affirmatively further fair housing to ensure equal access to housing for special needs groups. Provide programs that ensure that fair housing laws are enforced in the county. Refer special needs groups who experience discrimination in seeking out rental or home ownership units to these programs.

Affirmatively Furthering Fair Housing

A total of \$146,000 of CDBG funds was allocated for activities that affirmatively further fair housing. The components of this allocation in the FY 03/04 Fourth-year Action Plan were as follows:

- \$98,000 was allocated to provide fair housing compliance activities, including discrimination investigation, education and promotions to 3,500 people
- \$48,000 was allocated to provide tenant/landlord education and mediation dispute services to 2000 people (residents and property managers).

A total of \$115,060 was spent under contracts with the Inland Fair Housing and Mediation Board, Inc., (IFHMB) to affirmatively further fair housing (\$82,174 spent) and mediate disputes between landlords and their tenants throughout the County (\$32,886 spent). A variety of activities were performed as noted below, including activities from each of the two general fair housing categories listed above.

- Disseminated 10,674 fair housing brochures/flyers to the public and private agencies and community groups.
- Provided educational presentations, and outreach activities, as well as information and referral services, to low- and moderate-income households in San Bernardino County.
- Fair Housing Workshops were presented to 561 attendees from the housing industry, government, and community groups.
- Comprehensive fair housing training, education, counseling, advertising, and marketing services were also provided to ensure the right of all people to choose freely where they want and can afford to live.
- Landlord/tenant counseling and mediation services and education on fair housing laws were provided to resolve questions and avoid disputes over evictions, deposit returns, substandard conditions, and other renter/rental matters.
- Implemented the goals and actions to overcome the effects of identified impediments to fair housing choice.

A total of 489 households were reported to have benefited from fair housing compliance activities, another 561 households were reported to have benefited from fair housing workshops conducted with property management groups, and a total of 1,796 persons were reported to have benefited from landlord/tenant mediation activities.

In FY 98/99 Comprehensive Housing Services, Inc completed a revised Analysis of Impediments to Fair Housing Choice for the County of San Bernardino; identifying four impediments to Fair Housing Choice. In FY 03/04 IFHMB implemented the goals and actions necessary to overcome the effects of identified impediments to fair housing choice as listed below:

- Discriminatory Lending Practices
- Lack of housing availability and discriminatory patterns of occupancy
- Public Policies and Programs
- Need for increased Outreach and Education

Actions Taken to Overcome the Effects of Identified Impediments

Actions discouraging housing discrimination were described in the Appropriate Actions to Overcome the Effects of Discriminatory Housing Practices section of the 1998 Analysis of Impediments to Fair Housing Choice. These actions included:

- Conduct English as a Second Language Classes
- Local Resolution, indicating the County's intent on continuing support of National Fair Housing week
- Extensive Spanish Language Radio Broadcasting and brochures to be produced in Spanish
- Support and Enforcement of State Fair Housing Laws, indicating the County's support of Local, State and Federal fair housing laws
- Participation in Voluntary Public/Private Partnership, indicating the County's intent to participate in the Equal Opportunity/cultural Diversity Committee Association of Realtors
- Contracting with Private Fair Housing Organizations, indicating the County's intent to contract with various local fair housing organizations to administer fair housing activities within the County service area and pledging at least 1% of the annual CDBG allocation for fair housing activities.

The County also agreed to monitor fair housing programs and activities and to maintain records regarding specific actions taken.

Summary of Specific Actions Taken during the Program Year

During the 2003-04 program year, the County contracted with Inland Fair Housing and Mediation Board (IFHMB) to provide fair housing services throughout the County service area. The contract focused upon the provision of services that affirmatively further fair housing and activities that could impact identified impediments or overcome the effects of discriminatory housing practices. The following table describes specific actions undertaken by fair housing agencies and/or the County to impact the effect of impediments to fair housing as described above.

Summary Of Specific Actions Taken To Impact Impediments

Activity Description	Provider	Impediment
Assist housing industry groups located within the County service area in implementing HUD's Fair Housing Partnership Agreement (FHPA), providing fair housing education and information for dissemination.	Fair Housing Contractor	Sale or Rental of Housing
Receive, investigate, resolve, or refer housing discrimination complaints.	Fair Housing Contractor	Sale or Rental of Housing
Provide education and training to housing providers, consumers, apartment owners & managers, community-based organizations, units of local government, and other agencies located within the service area regarding compliance with local, state, and federal fair housing laws.	Fair Housing Contractor	Sale or Rental of Housing
Coordinate with and encourage lending institutions and realtors to improve outreach, loan counseling services, and lending policies where prior discriminatory practices have occurred.	Fair Housing Contractor	Sale or Rental of Housing
Prepare & distribute news releases, public service announcements, and other promotional material to local media regarding fair housing laws.	Fair Housing Contractor	Sale or Rental of Housing
Disseminate brochures and other printed materials to the general public regarding fair housing laws.	Fair Housing Contractor	Sale or Rental of Housing
Coordinate activities to promote fair housing month.	Fair Housing Contractor	Administrative Policies
Provide housing assistance to residents who would otherwise be cost burdened to increase their fair housing choice.	County ECD	Administrative Policies/Income
Provide financing programs to assist nonprofit and private developers in the provision of affordable housing that is made available to all residents of the service area regardless of race, color, national origin, gender, disability, or familial status.	County ECD	Administrative Policies/Income

Homelessness Prevention and Assistance – Continuum of Care

There are four fundamental components of the strategy to develop and implement a Continuum of Care System:

- Outreach and assessment must be conducted to identify an individual's or family's needs and connect them to the appropriate facilities and services.
- Safe shelter through a homeless shelter or motel voucher must be provided.
- Transitional housing and supportive services such as substance abuse treatment, mental health services, and independent living skills must be provided.
- Finally, permanent housing and homeless prevention services must be available.

The Community Action Partnership of San Bernardino County (CAPSBC) has been the lead entity in coordinating the efforts of the Homeless Coalition, whose member organizations, along with CAPSBC, provide a variety of shelter and supportive services for the homeless and those threatened with homelessness. CAPSBC and members of the Homeless Coalition have been responsible for the development and implementation of the Continuum of Care Strategy.

On behalf of members of the Homeless Coalition, CAPSBC coordinates the preparation of applications for federal funds when HUD announces notices of funding availability under programs that address homeless housing and supportive services. These include funds available under the Supportive Housing Program, Shelter Plus Care Program, Section 8 SRO (Single Room Occupancy) Program. Grants under these programs help provide homeless supportive services, transitional housing programs, domestic violence shelter, permanent housing, and more.

The City of Riverside is the grantee that receives HOPWA funds from HUD. These funds are also intended to serve the needs of residents of the County of San Bernardino who have been diagnosed with HIV/AIDS. Because the HOPWA Program is implemented under the City of Riverside's Consolidated Plan, no specific goals were included in the County's 1999 Consolidated Plan relative to assisting persons with HIV/AIDS, using HOPWA funds. However, the County has been actively participating in the development of an AIDS Housing Plan for use of HOPWA funds within the County. ECD has also applied for membership in the Inland Empire HIV Planning Council, which plans to apply for Title I Ryan White Care Act funds in the future.

ESG and CDBG funds were also made available by the department of Economic and Community Development from formula grants that it administers to aid in the implementation of the County's Continuum of Care System.

ESG- and CDBG-Funded Homeless Shelter Services

ESG funds totaling \$257,434 were spent under contracts with ten (10) non-profit agencies to provide 25,743 cold-weather shelter nights. The agencies receiving ESG funds include: Catholic Charities, Desert Manna Ministries, Family Services Association, Frazee Community Center, High Desert Homeless Services, Homeless Outreach Programs, and Education, Salvation Army, and Victor Valley Domestic Violence, Inc.

Approximately \$40,696 of CDBG funds were used by six (6) non-profit agencies to provide shelter and related services to the homeless. Over 4,173 homeless persons were assisted. The agencies receiving these CDBG funds include: New Hope Village in Barstow, Eternal Light Ministries in Big Bear Lake, Inland Temporary Homes in Loma Linda, and High Desert Homeless Services in Victorville. Additionally, Family Disaster Recovery Services were provided to one hundred and twenty-seven (127) low-and moderate-income persons in the Victor Valley area by the American Red Cross High Desert Chapter, and family emergency recovery services were provided to fifty (50) low-and moderate-income persons by the Morongo Basin Chapter of the American Red Cross. These two emergency recovery services helped families who lost their homes due to fire.

ESG- and CDBG-Funded Homelessness Prevention

The Family Service Association of Redlands and Catholic Charities of San Bernardino provided ESG-funded rental assistance to prevent homelessness. \$25,000 was used to provide rental assistance in the form of payment to maintain permanent housing. The number of families served totaled 42. A total of 6,715 shelter nights were reported.

CDBG funds totaling \$23,583 were spent to provide homelessness prevention services to low-and moderate-income families. In the City of Redlands the Family Services Association of Redlands helped 303 persons stay in their homes by providing counseling and utilities payment services. In the City of Adelanto Catholic Charities, San Bernardino/Riverside, Inc., provided case management services and emergency housing and relief services to 139 low-and moderate-income persons

CDBG-Funded Domestic Violence Shelter Service

More than \$70,012 of CDBG funds were spent under contracts with six (6) non-profit agencies to provide shelter and related services to over 1,069 women and their children. The agencies involved include: Haley House in Barstow, High Desert Domestic Violence in Victorville, House of Ruth in Pomona, Morongo Basin Unity Home in Joshua Tree, High Desert Domestic Violence and Victor Valley Domestic Violence Services (A Better Way Shelter) in Victorville.

Anti-Poverty Strategy

Mechanisms for addressing anti-poverty priority needs include employment programs, income management counseling, housing assistance programs, emergency service

programs, nutrition programs, and family self-sufficiency programs. Various entities have existing programs that serve to fight poverty. These include:

- Employment programs such as JTPA, SBETA, SYEP, and GAIN
- Income Management Assistance is provided via Energy Conservation under the Weatherization Program
- Housing Assistance is provided in the form of emergency rental assistance, payments for mobile home space rent, vouchers for overnight assistance through community organizations, and HOME TBA Security Deposits.

Emergency Services include provision of basic survival needs for low-income clients experiencing crisis situations. Nutrition Programs include the Food Bank, Congregate Dining Facilities, and soup kitchens. Family Self-Sufficiency is addressed through the County's Promoting Safe and Stable Families (PSSF) contract, and other case management programs operated by non-profits and County agencies such as JESD.

The Community Action Partnership of San Bernardino County (CAPSBC) is responsible for developing and implementing the County's Anti-Poverty Strategy. Activities that CAPSBC has undertaken to implement its Anti-Poverty Strategy and the objectives of those activities are noted below.

CAPSBC coordinates the County's Food Bank activities. Primary objectives are to coordinate and implement countywide distributions of USDA surplus commodities and salvage food to eligible households and soup kitchens. CAPSBC also coordinates the Nutrition for Seniors activities. Primary objectives are to prepare and serve nutritious, hot meals to seniors at congregate dining rooms; and to prepare and deliver nutritious, hot meals to homebound seniors.

CAPSBC operates an Energy Conservation/Weatherization Program. Primary objectives are to weatherize low-income dwellings; perform residential energy audits / bulb installations; and provide clients with energy conservation education. In addition, the Energy Conservation Program administers HEAP (Home Energy Assistance Program) to assist clients with utility payments. CAPSBC's Energy Conservation Program also performs lead-based paint abatement for eligible dwellings. CAPSBC also operates a Family Development Program. Primary objectives are to provide for emergency needs such as food, rental assistance, motel vouchers, etc., and to administer a self-sufficiency program providing educational assistance, life skills training, employment training, etc. CAPSBC also provides special purpose mini-grants to community based organizations experiencing emergency and hardship situations.

Other County agencies are involved in providing anti-poverty assistance. They include the Departments of Public Social Services, Aging and Adult Services, Jobs and Employment Services, Preschool Services, and Economic and Community Development.

Affordable Housing Assistance

In order to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families, the County continues to support activities of nonprofit housing developers and the Housing Authority in their respective efforts to provide affordable housing through new construction, acquisition, and/or rehabilitation of rental properties. Additionally, the County has continued to provide incentives (bond financing, density bonuses, priority processing) to for-profit and nonprofit developers of affordable rental housing.

The County annually receives a HOME Program formula grant allocation from Housing and Urban Development. HOME funds are used to provide assistance that meets specific affordable housing needs identified in the Consolidated Plan. The County's HOME Grant is administered by the County of San Bernardino Department of Economic and Community Development (ECD). HOME Program funds are used to provide affordable rental units, tenant-based monthly rental assistance, security deposit assistance to tenants, and homeownership assistance within the County's HOME Program area.

There are no statutory requirements for specific geographic targeting of HOME assistance and no special target areas where HOME funds must be used. HOME funds are provided on a first-come, first-served basis for projects located throughout the unincorporated areas and in the cooperating cities without priority area distinction. The geographic distribution of funding is achieved through marketing and advertising of program information throughout the count. ECD's Housing Division targets special needs service providers in notifications of requests for proposals and advertises in local papers and papers that serve subpopulations e.g., Hispanic newspapers.

HOME Program funds may only be used to assist households with incomes at or below 80 percent of the applicable Area Median Income (AMI) level, with adjustments for household size, as established by HUD. The HOME Program Regulations further specify that 90 percent of the overall HOME Program funds used to provide rental assistance must benefit households at or below 60 percent of AMI. Affordable, multifamily rental development projects must make available, at a minimum, 20 percent of the HOME-assisted units to households at 50 percent or less AMI. There are no income targeting restrictions specified in the regulation governing homeownership assistance programs beyond the requirement to provide assistance to households at 80 percent or less AMI.

San Bernardino County's HOME Program meets all targeted income minimum benefit requirements through a combination of income targeting for the various HOME program components. For instance, initial occupants of units in rental projects must have incomes at or below 50 percent of median income in most cases. Tenant-based rental assistance in this County to-date has been provided only to households with incomes at 50 percent or less of median income. This helps balance out any changes in income that might increase the percentage of tenants in the range of 60 percent to 80 percent of median income over time in rental property units with ongoing affordability requirements. Any applicants for Homeownership Assistance who have incomes over 80 percent are not eligible under the HOME Program and are denied assistance.

All rental property projects assisted with HOME funds are subject to "terms of affordability" as provided in HOME Regulations. In return for HOME assistance, one or more units in the project (called "HOME units") must be made available to very low- and/or low-income tenants, at affordable rents, for a minimum period of five (5) to twenty (20) years, depending on the average amount of assistance per HOME unit or the type of project assisted. Tenants must provide appropriate information to confirm that they meet the income guidelines for the HOME units. Rents for the HOME units may not exceed statutory limits, as defined in HOME Regulations, in order to be considered "affordable" to the intended occupants.

The County has a responsibility to monitor all rental property projects annually throughout their period of affordability. HOME rents and tenant incomes in HOME units are reviewed to ensure that they remain within the affordability guidelines for the project, and that all other applicable compliance requirements are met. Periodic site visits must be made every one (1) to three (3) years, depending on the number of HOME units in the project, to verify that the HOME units are being maintained in such a way that they continue to meet State and local Housing Quality Standards. During site visits, County staff also ensure that the property manager is following appropriate record keeping procedures.

The terms of affordability applicable to properties purchased with HOME down-payment assistance funds require that the property remain owner-occupied for a period of either ten (10) or twenty (20) years, depending on the amount of assistance provided. If the property is sold during the first half of the affordability period, the entire amount of HOME assistance must be repaid to the County. During the second half of the affordability period the loan is forgiven proportionally over the remaining years of the affordability period. If the owner occupies the property for the duration of the affordability period, there will be no further repayment requirement.

Homebuyers must only meet qualifying low-income guidelines at the time of purchase. Income does not have to be reviewed thereafter, and there is no penalty to the homebuyer if income subsequently exceeds the low-income guidelines. There are also no subsequent property inspection requirements. A declaration of insurance showing the County as an additional insured party is required prior to close of escrow. Homebuyers are required to maintain homeowner insurance, with the County named as additional insured in the event that the property is damaged or destroyed before the affordability period has been completed. Recorded documents also ensure that the County is notified if the property goes into default or foreclosure, or if a change of ownership is attempted. If the County discovers that the property is no longer owner-occupied, the owner is required to repay the outstanding amount of the loan.

Although none of the County's HOME Program activities in FY 03/04 lead to physical or economic displacement, guidelines are in place to address the requirements of the Uniform Relocation Act (URA), including steps to be taken to minimize the displacement of occupants of properties that will be assisted with HOME funds. All project proposals reviewed are analyzed for any potential displacement prior to approving projects for HOME funding. Guidelines for reviewing HOME projects include following these steps:

- identify in a timely manner all occupants of properties that will be assisted with HOME funds,
- determine whether or not occupants of properties that will be assisted with HOME funds will be required to move permanently as a result of the project,
- determine what steps must be taken to meet relocation obligations to tenants who are forced to temporarily or permanently move from properties that will be assisted with HOME funds.

Community Housing Development Organizations (CHDO)

A Community Housing Development Organization is a local nonprofit developer of affordable housing certified by the County as meeting all applicable federal requirements specified in HOME regulations. Once certified, a CHDO become eligible to apply for monies which must be set aside for use on CHDO affordable housing projects only. A 15 percent set-aside of a Participating Jurisdiction's (PJ's) annual HOME Program allocation is federally mandated. CHDO funds are most often used to facilitate multifamily rental property acquisition and rehabilitation however, they may also be used for new construction.

During FY 03/04, the County continued to identify potentially eligible non-profits for CHDO status. To become certified as a CHDO in San Bernardino County, a non-profit must have proven staff and financial capacity, an experience base in the local area, and a mission to provide affordable housing to eligible persons.

ECD staff work closely with existing organizations, agencies, and members of the public, providing guidance, distributing informational brochures, and interpreting regulatory language so that more community based affordable housing organizations can attain CHDO status and gain access to CHDO set-aside funds. The County CHDO review process, pursuant to the HOME Program regulations, is detailed, and precise.

Fifteen CHDOs have been certified since the HOME Program was first implemented in this County. Twelve existing CHDOs are currently recertified, and zero CHDO recertifications are pending.

HOME Rental Property Program (Rental Rehabilitation & CHDO Funds)

These HOME funds may be used for the acquisition of affordable rental housing, and/or essential improvements to correct substandard conditions. Non-CHDO funding for these activities is available to nonprofit and for-profit developers of rental housing. CHDO funds may also be used for new construction as well as acquisition and/or rehabilitation.

Eligible properties include single- and multifamily rental units that are or will be occupied by income-eligible households. Rehabilitation activities may include weatherization of roofs, windows and/or doors, upgrade or repair of electrical, heating, and plumbing, painting, kitchen and bathroom improvements, and handicapped accessibility modifications.

HOME Program Rental Property Acquisition and Rehabilitation Agreements specify that, at a minimum, 20 percent of all HOME-assisted multifamily rental units must be made available to households at 50 percent or less AMI. The precise number of units is also specified in the agreement, and in most cases, these projects yield more than the required 20 percent minimum number of units for that income population. Additionally, while most projects restrict only a portion of the units as HOME-assisted, in many cases a majority of the units in these projects are offered at rents which can also be considered “affordable”.

Five programs were funded during the 2003-04 program year. The first loan, in the amount of \$75,000 was used to provide security fencing lighting and rehabilitation of 7 units of affordable housing in Rialto. The second loan, in the amount of \$100,000 was used for new construction of six units of affordable housing in Victorville. The third loan, in the amount of \$144,000 is being used to rehabilitate one (1) single-family home in Rancho Cucamonga. The fourth loan provided \$1,136,000 for construction of nine (9) three bedroom and six (6) four bedroom single-family residences. The fifth loan for \$50,000 to provided rehabilitation of seven (7) units of affordable housing in Rialto. Fifteen CHDOs have been certified since the HOME Program was first implemented in this County. Thirteen existing CHDOs are currently recertified, and zero CHDO recertifications are pending.

Demand for rental rehab funding by private owners continues to fluctuate, therefore as the need arises to increase support to CHDO rental projects, the unused allocation of rental rehabilitation funds are reallocated for use by CHDOs. This continues to result in assistance to CHDO projects in excess of the required 15 percent set-aside of the HOME grant to be made available only to CHDOs, and has generated increased interest among private and non-profit affordable housing developers to become CHDOs. CHDO funds are used to finance new construction, acquisition, and/or rehabilitation of rental properties. Based on the amount of HOME CHDO and Rental Property Acquisition and/or Rehabilitation Program funds used in the County, the five-year goals for providing affordable rental housing should be met.

HOME Rental Property Rehabilitation/Refinance Program

This program was developed in response to expressed demand from the local development community, and pursuant to the HOME Program Regulations, and the guidelines specified in Section III, 1999-2000 ACTION PLAN. Discussions with representatives from the rental real estate profession repeatedly surfaced the issue of refinancing assistance, and indicated the need for that type of assistance. As a result, HOME funds in the amount of \$250,000 were budgeted for the FY 03/04 program year to provide refinancing assistance to owners of affordable rental housing projects where the primary affordable housing activity to be funded would be rehabilitation. The County has managed a highly successful

HOME Rental Property Acquisition and/or Rehabilitation Program since receiving its initial HOME Program Grant, and proactively designed the new Rental Property Rehabilitation/Refinance Program in accordance with the HOME Program Regulations. This new program has the potential to create additional affordable housing opportunities while maintaining the existing affordable housing stock; however, to date, no applications for this type of HOME assistance have been submitted for consideration.

Tenant-Based Rental Assistance Programs

The County provides approximately 10 to 15 percent of its annual HOME allocation to fund Tenant-Based Rental Assistance (TBA) activities authorized under HOME Regulations.

HOME TBA Monthly Rental Subsidy Program

Under the monthly rental subsidy component of the HOME TBA Program, an ongoing rent subsidy is paid each month to the owner of the approved rental unit occupied by a program participant. The rent subsidy is determined by the Housing Authority based on the difference between 30% of the tenant's income and the Fair Market Rent for the size of unit authorized.

A total of \$324,566 was used in FY 03/04 to assist 144 households; 108 participants were already active and eligible to receive

Of the two (2) Tenant-Based Assistance (TBA) Programs, only the Monthly Rental Assistance Program has ongoing monitoring requirements. Each active monthly rent subsidy participant's income must be reviewed and re-certified annually. Each rental unit must also be inspected annually to ensure that it continues to meet Housing Quality Standards. In its capacity as administrator of the HOME TBA Rental Subsidy Program, the Housing Authority performs the required income re-certifications and property inspections annually for each active participant.

If the participant's income exceeds applicable income limits at re-certification, monthly rental assistance must be terminated. All renewals of assistance contracts with owners of rental units are contingent upon meeting Housing Quality Standards. Administrative policy requires that, if a property fails the annual inspection, the owner must make necessary repairs or the assistance contract will not be renewed, or if the contract has not yet expired, it will be cancelled. In either case, the participant would have opportunity to seek an appropriate replacement unit.

TBA Security Deposit Assistance Program

Security deposit assistance is provided so that the participant may secure appropriate rental housing. Assistance contracts with owners state that the deposit is provided on behalf of the participant, and that if any refund is due at the end of tenancy, the refund shall be paid to the tenant. This refund provision is intended to serve as an incentive to the participant to be a responsible tenant and avoid damage to the unit and unpaid rent so that

the maximum refund can be re-used toward the tenant's next security deposit when they move to another unit.

During the year, the Housing Authority provided \$394,731 in security deposit assistance to households that included participants in the HOME TBA Monthly Subsidy Program, households selected from the Section 8 Waiting List who were offered Welfare-To-Work vouchers, as well as participants in the various special rental assistance programs administered by the Housing Authority.

Based upon the success of this program and its positive impact on tenants, owners and the Housing Authority itself, the Housing Authority will continue the program in FY 03/04. Available TBA funds will allow new Welfare-To-Work voucher holders, as well as participants in other rental assistance programs administered by the Housing Authority, to secure decent housing during the year.

Homeownership Assistance Program

Participants in the Homeownership Assistance Program may have incomes up to 80 percent of AMI. Assistance is provided to eligible applicants on a first-come, first-served basis. Applicants may be individuals, small-related households or large-related households. Applicants may be first-time homebuyers, previous homeowners who are currently renting, or under certain conditions, existing homeowners who must leave their current residence.

Funding for the Homeownership Assistance Program is a combination of HOME funds, private investment in the form of buyer down payment, and institutional lending in the form of first trust deed financing. Buyers are required to make a 3 percent contribution toward the total down payment. The buyer also pays normal prepaid closing costs to set up necessary impound accounts for taxes and insurance. First trust deed financing is arranged for a total house payment including principal, interest, taxes, and insurance equal to 33 percent of the buyer's gross monthly income. County second trust deed financing provides:

- 2 percent of the purchase price toward the required down payment (conventional financing) or up-front mortgage insurance (FHA financing),
- up to 3 percent of the purchase price for closing costs, and
- "GAP" financing (the difference between the purchase price of the prospective property and the first mortgage financing plus the buyer's 3 percent contribution).

One of the most satisfying results of the Homeownership Assistance Program is being able to move very low-income families from renters to homeowners. Because this is a HOME-funded program, buyers must be low-income and earn no more than 80 percent of AMI. The Consolidated Plan anticipated that approximately 90 percent of participants would be buyers with incomes in the range of 60 percent to 80 percent of AMI, and only 10 percent of buyers were expected to have incomes lower than 65 percent of AMI. However, the

Homeownership Assistance Program has reached many households with incomes well below 80 percent of AMI.

The extent to which the Homeownership Assistance Program has been able to reach down the income ladder to create new homeowners has exceeded even the County's expectations.

A strong emphasis on homebuyer training prior to the close of escrow and a true commitment to homeownership by the buyers is expected to contribute to the long-term success of the families participating the Homeownership Assistance Program.

In FY 03/04, a total of \$1,000,000 was used to assist 32 households. The average amount of HOME assistance per homebuyer in FY 03/04 was approximately \$31,250.

CDBG Housing Rehabilitation and Repair Programs

The County of San Bernardino receives an annual CDBG formula grant from HUD and allocates a portion of its CDBG funds for affordable housing activities. These activities include the homeowner housing rehabilitation program and the housing repair program for senior and disabled homeowners. All participants in both programs had income levels at or below 80% of median income.

Through its CDBG-funded Homeowner Rehabilitation Program, the County completed repairs on housing units, upgrading their conditions to Section 8 Housing Quality Standards. A total of \$415,403 was used to assist eighteen (18) households. Loan payments totaling \$759,041 were received during the year.

Through the CDBG-funded Senior/Disabled Repair Program, the County made essential repairs to housing units of eligible participants. A total of \$779,706 was used to assist 272 households.

ECD's Homeowner Rehabilitation and Senior/Disabled Repair Programs are available on a first-come, first-served basis to all eligible residents within the cooperating cities and all unincorporated areas of the County. Residents of the entitlement cities of Apple Valley, Chino, Chino Hills, Fontana, Hesperia, Ontario, Rancho Cucamonga, Rialto, San Bernardino, Upland, and Victorville are not able to access these programs.

Housing Authority Programs and Activities

The Housing Authority of the County of San Bernardino plays a significant role in providing affordable housing and support services to lower-income households. The Housing Authority manages, maintains, and improves public housing, provides supportive services, and offers opportunities for economic advancement to public housing residents. Its non-profit arm, Housing Partners I, Incorporated, is active in developing additional affordable housing. The Housing Authority also administers the Section 8 Certificate and Voucher Programs, including several special purpose Section 8 grants.

Public Housing

The Housing Authority owns and/or manages the County's stock of Public Housing units, which are made available mainly to extremely low-income households. The units, a majority of which were developed with HUD funding, continue to receive an operating subsidy from HUD. The balance was developed through a variety of partnerships with the State of California, the County of San Bernardino, cities throughout the County, and other non-profit agencies. With the cooperation of these partners, the Housing Authority has developed senior housing in Montclair, Yucaipa, and San Bernardino. These are listed in the Consolidated Plan in the Housing Authority's inventory of public housing.

The Public Housing Authority of San Bernardino owns and manages units of subsidized public housing, which are made available for occupancy by very low-income families who pay no more than 30 percent of their monthly income for rent.

The Housing Authority has a comprehensive plan and program for renovating and improving public housing. In addition, the Housing Authority has developed and implemented a strategy for abatement of lead-based paint hazards in public housing. Various support services and programs are also made available to public housing residents, either directly through the Housing Authority, or in cooperation with other service entities. Residents are encouraged to participate in the management and operation of public housing, and in the implementation of programs and services that benefit the residents of public housing. There are no matching requirements for the federal funds received from HUD.

Public Housing Development/Affordable Housing Development

The Housing Authority no longer receives funds from HUD to develop additional public housing or to acquire scattered site units throughout the County. In order to provide additional public housing, especially for very low- and low-income large families, housing development opportunities are now pursued by the Housing Authority through sponsorship of a non-profit organization, Housing Partners I (HPI). The Housing Authority and HPI coordinate with various Cities and the County, to help convert community eyesores into community enhancements, and to eliminate blight. Acquisition and rehabilitation of existing properties has also been accomplished by HPI. HPI has utilized funds provided through the County's HOME Program, along with funds from other sources to increase the supply of affordable housing that is made available to low-income residents, especially those with special needs.

HPI is actively involved in identifying nonfederal resources and finding ways to combine and leverage any federal resources that become available for projects that it pursues. Some of the nonfederal resources used by HPI in conjunction with HOME Program funds can be claimed by the County as match credit for the HOME Program.

Section 8 Program

The Housing Authority also administers the federally-funded Section 8 Rental Assistance Program, which, like Public Housing, mainly serves extremely low-income households. All

housing assisted under the Section 8 Program must meet federally established Housing Quality Standards to ensure that the housing is decent, safe, and sanitary.

Rental assistance is provided through the issuance of Section 8 vouchers to eligible very low-income households. Under the Voucher Program the amount of assistance provided is based on the difference between fair market rent and 30 percent of adjusted income. However, tenants can pay more or less than 30 percent, depending on housing costs and their personal resources. The landlord receives Federal funds to cover the portion of rent not paid by the tenant.

Section 8 rental assistance is provided on a first-come, first-served basis for the Regular Section 8 Program and the various Special Purpose Section 8 Programs administered by the Housing Authority. Special Purpose programs include the Moderate Rehabilitation Program, Veterans Affairs Supportive Housing Program, Family Self-Sufficiency Program, Homeless Program, After Care Program, Mainstream Program, and Family Unification Program, which all target sub-allocations of Section 8 funds to eligible participants in these programs.

Security Deposit Assistance

In July of 2000, the Housing Authority implemented the HOME TBA Security Deposit Assistance Program on behalf of the County. This program, provides funding for up to two times the monthly contract rent amount. The program is used primarily by new participants in the various rental assistance programs administered by the Housing Authority, but is also available to existing participants who have been issued a new voucher in order to move from their current unit. During FY 02, Security Deposit Assistance totaling \$988,557 was provided by the Housing Authority to its clients.

The availability of security deposit assistance has increased the willingness of rental property owners to accept voucher holders as tenants, and has also increase the proportion of actual lease-ups by voucher holders and reduced the number of voucher holders requesting extensions. The security deposit assistance has been particularly helpful for the new Welfare-to-Work Voucher Program, where voucher holders are endeavoring to transition from assistance to self-sufficiency.

Other Section 8 Special Purpose Housing Assistance

The Housing Authority also works closely with a number of other governmental agencies to provide special purpose Section 8 rental assistance that is coordinated with other support services. Housing assistance in support of family unification (to prevent the separation of children from their families) is coordinated with the Department of Child Protective Services.

Housing assistance for homeless veterans with severe psychiatric or substance abuse disorders is coordinated with the Veterans Administration and the VA Hospital in Loma Linda.

Provision by the Housing Authority of Section 8 rental assistance, in support of independent living for the mentally ill, is coordinated with the Department of Behavioral Health Services.

Through its Homeless Program, the Housing Authority contributes to the San Bernardino County Homeless Coalition service delivery system. The Housing Authority provides rental assistance in the form of Section 8 rental assistance to families receiving case management services from pre-qualified community based organizations (CBOs). These CBOs provide resources and services ranging from job training and education to health care and day care, that will allow the homeless an opportunity to attain economic and social independence without undue hardship, or concern for the welfare of their families.

Support Services

The Housing Authority also offers its Public Housing residents and Section 8 participants a number of support service programs. These are designed to provide assistance with a variety of other needs.

Family Self-Sufficiency

The Family Self-Sufficiency Program provides a comprehensive program to assist AFDC recipients residing in public housing to complete education/training, to empower them to find suitable employment, and leave the AFDC program.

A Family Self-Sufficiency (FSS) Program has been in operation for nine (9) years. The program has witnessed the “first steps” of over 500 participants working on goals and plans to help them achieve economic independence. More than fifty (50) participants have completed their five-year goals. After joining the FSS Program, as earnings increase, participants make monthly deposits to an escrow account for future homeownership. More than twenty-five (25) families have graduated from the program and moved on to homeownership opportunities.

The FSS staff spends countless hours coordinating with the many public and private agencies whose support and services are crucial to the success of this program. They facilitate childcare, transportation, and other work related necessities. They also sponsor enrichment classes, which cover such topics as budgeting, job search, homeownership, and single parenting.

Job Training and Employment Opportunities

The Housing Authority works jointly with the San Bernardino Job Corps. Through the Job Corps, young participants are provided academic remediation, G.E.D. support, vocational education, out placement, and self-marketing skills. The Housing Authority also works with the City of San Bernardino Employment and Training Agency, which provides access to the City’s counseling and placement resources. The Housing Authority maintains a commitment to providing employment opportunities within the agency for low-income individuals, especially the residents of public housing and Job Corps participants. These employment opportunities provide valuable work experience that will ultimately help these individuals improve their economic situations. Tasks include landscaping, painting, resident relations work, and clerical support.

Drug Elimination Programs are operated in conjunction with the residents to prevent children in public housing from becoming involved with drugs or gangs. Drug elimination funds from HUD allow the Housing Authority to offer a Kids Club, a variety of sports programs, computer learning centers, youth counseling, leadership training, and tutorial programs.

Public Housing Improvements

The Housing Authority maintains a continuous effort to improve the management and operation of public housing and to improve the living environment of residents of public housing. This is in addition to making repairs on an ongoing basis to maintain housing units so that they continue to meet Housing Quality Standards.

The Housing Authority's Capital Improvements Program provides for renovation and modernization of public housing. Improvements include roofs, playgrounds, streets, driveways, and fencing at most of the larger public housing sites.

Public Housing Resident Initiatives

The Housing Authority actively encourages and supports the involvement of residents in many management and operation phases of public housing. Resident advisory councils are an important way for residents to provide input for plans, programs, and activities that provide enrichment opportunities to improve their quality of life within public housing, and to facilitate transitions to self-sufficiency and homeownership.

To increase the involvement of residents in management, the Housing Authority has utilized funds it received from HUD for this purpose to develop a resident council, a resident management council, and a resident organization.

Residents, working in cooperation with the PHA, have been successful in securing the presence of Head Start, and on-site services by the Departments of Public Health and Behavioral Health. In addition, over the last few years the public housing facilities have been sites for the Summer Lunch program and the Summer Youth Employment Program. Residents have worked hard, in cooperation with the Police Department, to establish and maintain Neighborhood Watch Programs in each sector of the developments.

Many residents participate in a food bank program that encourages resident volunteer efforts as a way to support a low cost food program. Residents also coordinate with the Registrar of Voters to have polling places located within the community, encouraging residents to become more active as voters and to be recognized as such.

Mortgage Revenue Bonds

Between 1980 and 1990 the County of San Bernardino issued over \$743 million in Mortgage Revenue Bonds to finance the development of affordable single family and multifamily housing. Federal legislation governing tax exempt financing expired on December 31, 1992. The sunset on this legislation was reversed when new enabling legislation was approved in mid-1993 to make these provisions permanent.

In 1995, the County again began issuing single-family mortgage revenue bonds, and has subsequently issued additional bonds. Although no new multifamily mortgage revenue bonds have been issued to fund new construction of affordable rental units, bonds have been issued for acquisition of existing multifamily complexes. In addition, a significant number of refunding bond issues have been processed to extend the maturity dates and/or lower the interest rates on existing multifamily mortgage revenue bonds.

Single Family Mortgage Revenue Bond Program

This Program assists households earning up to 120 percent of median income and is an integral part of the County's strategy to increase affordable housing. Indirectly, it provides potential affordable housing for households with incomes at or below 80% of area median. As first-time homebuyers, participants are generally moving from rental property, which increases the supply of rental housing that is available for selection by other renters.

The County is working on re-marketing our Single Family Mortgage Revenue Bonds. Due to decreasing interest rates, it has been extremely difficult to be competitive with the open market, and therefore we did not fund any mortgages. With re-marketing of this program along with the high probability of higher market interest rates, this program should be more popular in the near future.

Multifamily Mortgage Revenue Bond Program

Over the past ten years, the County has completed a number of bond refundings and refinancings of existing multifamily projects. This has had the effect of "saving" affordable units which might otherwise have been "lost" once the term of the affordability associated with a particular project had been completed.

The County continues to actively encourage developers to utilize mortgage revenue bonds funds for new construction of multifamily housing through its Bond Inducement process. The County will continue to refinance existing projects as the current affordability requirements near their expiration date in order to retain affordable units in its mortgage revenue bond multifamily rental unit inventory.

During FY 03/04 the County consented to the sale of two existing multifamily projects. The new owners must maintain the existing affordability requirements for the 115 existing bond units in these projects. Two existing projects were refinanced in FY 03/04, and no other units were at risk of reversion to market rates.

California Cities Home Ownership Authority (CCHOA) Lease Purchase Program

The CCHOA Lease Purchase Program allows households which have experienced credit problems in the past to qualify based on current income and a good one-year rent payment history, CCHOA provides credit counseling to participants to ensure that they will qualify to assume the mortgage at the end of the 39-month lease-purchase period.

The CCHOA Lease Purchase Program is available to anyone who does not own a home, not just first-time homebuyers. It is also available to households at higher income limits

than the County's Single Family Home Mortgage Revenue Bond and HOME Homeownership Assistance Programs.

This is a very successful program that helps people realize the American dream of homeownership. However the funding for this program expired in October 2003. The County is currently working on developing a new source of funds in order to re-start this program in the near future.

Neighborhood Initiative Program

The 1999-00 Consolidated Plan identified a national pilot program to revitalize neighborhoods and eradicate blight by using concentrated assistance, new methods, and new initiatives. During FY 99/00, the County of San Bernardino entered into Cooperation Agreements with the three Cities involved in the County's Neighborhood Initiative program. The County of San Bernardino also became the first entity in the nation to enter into an agreement with FHA utilizing the new disposition program spelled out by congress as part of H.R. 4194, which created the Asset Control Area concept.

With the passage of H.R. 2158 the County of San Bernardino was awarded a \$15,000,000 Neighborhood Initiative grant to *"improve the conditions of distressed and blighted neighborhoods or areas"*. Since then the Department of Economic and Community Development has been working diligently with the three cities involved (Highland, Redlands and San Bernardino) on the development and implementation of this national pilot program. The County has forged partnerships with private and public, non-profit and for profit entities in order to ensure all available resources are maximized to the fullest extent possible in improving the conditions of blighted neighborhoods.

A major component of the Neighborhood Initiative Program is the purchase of FHA owned properties. The County of San Bernardino was the first in the nation to enter into an agreement with FHA utilizing FHA's disposition guidelines as spelled by Congress under H.R. 4194, which established the concept of a "preferred purchaser" buying all of FHA owned properties in a specific area known as an Asset Control Area. This agreement was entered into on December 7, 1999. These Asset Control Areas have a high concentration of FHA owned properties. These vacant, dilapidated properties have had a strong negative impact on these areas. By rehabilitating and selling these properties to owner-occupants, a major, if not the biggest, cause of blight in that specific area is eliminated.

The County of San Bernardino started taking title to FHA owned properties on March 4, 2000. As of June 30, 2004, there were 579 FHA owned properties in the County's Asset Control Areas, of which the County held title to 579. By June 30, 2004, the County had purchased from FHA, rehabilitated and sold, 557 properties. An additional 5 properties were in escrow, with an additional property for sale on the open market. Twenty vacant lots that the County had purchased from FHA, after FHA had demolished the structures on the property because they were unsafe and it was not financially feasible to rehabilitate, were donated to the Housing Authority. The Housing Authority is currently working on building new single family houses that will be sold to low-and moderate-income families.

Besides the rehabilitation of former FHA owned properties, the Neighborhood Initiative Program also rehabilitates dilapidated, owner-occupied housing in targeted areas. To date, over 145 non-FHA properties have been rehabilitated. Over one million dollars have been spent on infrastructure improvements in these targeted areas. With the proceeds from the sale of former FHA owned properties, the County has paid for nearly five million dollars worth of revitalization projects.

Public Policies to Limit Barriers to Affordable Housing

The Consolidated Plan includes a discussion of potential barriers to affordable housing. These barriers may result when a jurisdiction chooses to not zone sufficient land in a range of densities to ensure that housing can be produced to meet expected growth. Barriers to affordable housing may occur when an excessive amount of time is required to process development applications and/or when exorbitant fees are charged for development permits.

Four factors related to local governmental policies and actions that may constrain the construction or improvement of affordable housing were identified in the Consolidated Plan. They are land use controls; building codes; processing procedures; and exactions and fees.

The County of San Bernardino has an on-going program to review the Development Code annually, for possible revisions that would assist in creating more affordable housing. The purpose of this program is to identify ordinances, non-essential to health and safety, which act as contributing factors to the high cost of housing. This program analyzes feasible methods to streamline governmental review and standards in order to reduce the time and monetary costs associated with new housing production.

Affordable housing, by its very nature, is extremely price sensitive. Any additional increment of cost is proportionally more damaging in terms of providing a product that meets the affordability standards of the jurisdiction.

The time normally required to proceed through the County's development review process adversely impacts the cost of housing by increasing the cost to developers holding property for development. These costs are passed on to future buyers through increased housing prices. A 1988 study by the Claremont Institute indicated that government delays can add 28.7 percent to the cost of new home prices and may account for as much as 15.7 percent of the sales price.

Under the Housing Incentive Plan, a provision of this program provides for priority in permit processing, when requested, to speed approval of developments that provide affordable housing in the jurisdiction. Criteria have been developed that take into account legal requirements for review of development applications and staff availability. Every effort is made to accommodate a swift review of development documents so that additional cost will be minimized.

Institutional Structure

The County of San Bernardino engaged in the following activities to strengthen identified weaknesses in the institutional structure established to carry out its strategy:

- Maintained communication with non-profits organizations regarding Federal, State and local housing programs, including Notices of Funding Availability.
- Provided technical assistance to organizations applying for Federal, State and local funding for affordable housing programs.
- Conducted meetings with San Bernardino County Public Housing Authority regarding joint activity in developing affordable housing.
- Gathered information from various County departments and Homeless Coalition members for the purpose of updating the Consolidated Plan.

Intergovernmental Cooperation

The County of San Bernardino, in an effort to achieve intergovernmental cooperation between the jurisdiction, state, and private agencies, engaged in the following activities:

- Communicated with cooperating cities in San Bernardino County concerning implementation of the County's affordable housing programs, and the 1999 Consolidated Plan.
- Attended affordable housing workshops, seminars and conferences sponsored by Federal, State and local housing agencies and disseminated this information to local agencies, non-profit community-based service organizations, and the housing components of cooperating cities.

Private Sector Participation

Various private-sector groups and public entities have participated with ECD over the past four years, both during program design of HOME activities and during program implementation. The individual program narratives in the previous section include descriptions of the roles that many of these private-sector groups and public entities have played. These groups continue to play a part in improving program efficiency and effectiveness, finding innovative ways to leverage HOME funds, and addressing identified needs with a combination of available resources.

During FY 03/04, ECD continued to meet with various groups upon request or as additional target groups were identified. With regard to the Homeownership Assistance Program (HAP) in particular, ECD has provided training opportunities for additional lenders, realtors, and developers. We want these individuals to become informed about the HAP and to become active participants in services that must be available in the community to match eligible homebuyers with appropriate housing and private lender financing. A broader range and higher quality of participation has resulted.

In order to maximize private-sector participation, ECD has implemented incentives to encourage non-profit applicants for Rental Property Assistance to incorporate private-sector participation and funding to the fullest extent possible. During FY 03/04 there was great progress in expanding private sector interest and participation in rental property assistance projects. A number of private entities also met with ECD staff during FY 03/04 to discuss possible roles that they could begin to play in the HOME Program.

Priority In Multi-Family Rehabilitation For Barrier-Free Housing

The County gives first priority to applications for low-interest rehabilitation loans involving projects containing 10% or more units which are designed to be accessible to the disabled. This is a policy, not a program. No proposals for multi-family rehabilitation projects with 10% or more handicapped accessible units were received by the Department of Economic and Community Development under any of the affordable housing programs that it administers. Handicapped accessible units and features have been and continue to be provided in many of the multifamily rental projects undertaken with HOME funds, however, no proposed projects have had 10% or more designated handicapped accessible units in them.

Lead-Based Paint Hazard Reduction

The County adheres to the following strategies to reduce the occurrences of lead poisoning:

Strategy 1: Coordinate public and private efforts to reduce lead-based paint hazards and protect young children. Maintain an inter-agency work group and public-private task force to coordinate and provide direction for prevention efforts.

Strategy 2: Integrate lead-hazard evaluation and reduction activities into existing housing programs. Integrate activities to identify and reduce lead hazards with all government-assisted housing rehabilitation activities.

Strategy 3: Develop technical capacity. Develop a core of environmental lead specialists who can ensure that the technical aspects of assessment and lead-hazard reduction are managed appropriately.

Strategy 4: Promote comprehensive public health programs. Support the development of programs with capability for screening, follow-up of children identified as lead poisoned, public education and prevention.

Strategy 5: Seek passage of state and local laws. Reduce lead-based paint hazards, protect the public and move to a primary prevention approach.

Strategy 6: Provide public information and education. Clearly communicate the extent of the lead problem and the measures to be taken to reduce risk and protect health.

The County Department of Public Health reported 104 new cases of lead-based paint poisoning for FY 2003-04. All patients receive physician treatment until the amount of lead found in the patient's system is reduced to an acceptable level.

The County Department of Environmental Health Services, Housing and Hazardous Waste Division, has been given the responsibility for coordinating lead-based paint incidents, coming as a result of public complaints or hazards identified through the permitting process.

If property under construction or renovation is found to have levels of lead exceeding State and Federal guidelines, the County staff monitor these contaminated parcels until the situations are rectified.

Affirmative Marketing

The Department of Economic and Community Development (ECD) continues to be proactive in its quest to extend its various HOME and other affordable housing programs to eligible persons in the housing market area, without regard to race, color, national origin, sex, religion, familial status, or disability.

ECD also continues to implement various ongoing public awareness-marketing programs. An established marketing team within ECD's Housing Development, Finance and Preservation Division (Housing Division) has developed an affirmative marketing plan that promotes the HOME Program components and provides information to eligible persons from all racial, ethnic, and gender groups. The County's affirmative marketing strategy includes ongoing identification of additional target groups for affirmative marketing. Based on the success of the affordable housing information provided to County employees through payroll inserts, ECD has found a new and positive vehicle for a mass dissemination of information and will pursue this avenue with large employers, public and private, located in San Bernardino County.

Presentations regarding the HOME Homeownership Assistance (Silent Second) Program (HAP) are made to community-based organizations, and at the annual Real Estate Technology Fair sponsored by the local Board of Realtors. Housing Division staff remain available to provide information to community groups at their request. Extensive HAP lender training is conducted, with lenders attending from throughout the County. In addition, mini-sessions are conducted for interested institutions as needed.

All HOME Program brochures were updated in FY 03/04 and the HAP brochure was translated into Spanish. Brochures for all components of the HOME Program are sent out in response to inquiries from the public. Brochures are made available upon request to community-based organizations, public agencies, churches, libraries, ethnic organizations, hospitals, public utility companies, colleges, lending institutions, realtors, and developers with new affordable tract homes.

The County also actively participates in National Fair Housing Month. Special activities are held throughout the County during the month, which serve to promote Fair Housing and educate the public on the legal rights of tenants, landlords, buyers, sellers, lenders, and agents. In compliance with affirmative marketing requirements as cited in 92.351, the County continues to use the Equal Housing Opportunity logotype or slogan as a statement of support for the affirmative marketing policy in all its communications relative to any component of the HOME Program.

The County will continue appropriate affirmative marketing methods for each of the HOME Program components as the marketing campaign continues in FY 03/04. Again, more than 5,000 HOME Program component flyers and brochures will be targeted to identified organizations. ECD intends to implement a plan to distribute these promotional materials directly to community-based organizations using available public service employees.

The County will continue promotion of the HAP to lending institutions, realtors, and developers with new, affordable tract homes. Letters notifying lenders of the HAP will be sent Countywide and training sessions will be scheduled. Based on the level of interest, ECD staff is available to broadcast public service announcements for radio and cable television networks, in English and Spanish. Other HOME components have used and will continue to use these successful affirmative-marketing methods.

Minority Outreach

The Department of Economic and Community Development makes every effort to include qualified minority- and women-owned business enterprises in any and all contracting opportunities entered into under the HOME Program. The County has recently added the identification of disabled veteran-owned business enterprises to its contract solicitation process.

Contracting opportunities are generally very limited under the County's HOME Program. In FY 03/04, the County did not enter into any new contracts that would require outreach to, and the participation of, minority-, women-, or disabled veteran-owned or operated businesses in the HOME Program.

As appropriate, ECD will continue efforts to identify potential MWBE/DVBE contractors, solicit their participation, provide information to interested firms on how to do business with the County, and encourage large non-MWBE/DVBE firms to utilize MWBE/DVBE firms when subcontracting.

County policies emphasize maximum opportunities for MBEs, WBEs and DVBEs, and affirmatively support their participation in all purchasing and contracting activities engaged in by County departments. ECD will use County-approved guidelines for encouraging participation of minority-, women- and disabled veteran-owned businesses, establishing the criteria for proposals and bids, screening and selecting proposals and bids, developing contracts that set forth performance and payment requirements, and monitoring contractor performance and compliance with contract terms.

As additional contracting opportunities arise, ECD will utilize appropriate outreach mechanisms to solicit the services of appropriate contractors in accordance with the County's MWBE/DVBE policies and procedures. As necessary, the Department of Economic and Community Development will provide workshops to inform potential contractors of the procurement procedures that will be used when obtaining services relative to the HOME Program.

Suitable Living Environments through Non-Housing Community Development

In order to meet its priority of developing and sustaining suitable living environments, the County of San Bernardino implemented community development strategies and projects throughout the County Consortium. These strategies were identified in the 2000-2005 Consolidated Plan. The areas addressed through the implementation of community development strategies include public facilities and parks, infrastructure, accessibility needs, historic preservation, code enforcement, and public services, including blight abatement. Although the expansion of economic opportunities is also a part of community development, it is discussed separately later in this report.

The County of San Bernardino continues to experience a need to expand the quantity of and improve the quality of public facilities and parks that principally benefit low- and moderate-income persons. The inclusion of these facilities within the defined County target areas is essential for the development and continuation of viable urban communities.

Public Facilities Strategy

As a means of improving the health and welfare of target neighborhoods and augmenting the availability of needed local services to low- and moderate-income persons, the provision of quality public facilities is essential. By implementing its Public Facilities Strategy of Community Development, the County of San Bernardino continues to incrementally accomplish its goal of developing and sustaining suitable living environments, especially in areas of low- and moderate-income concentrations.

Senior Center Improvements

The County's 2003-2004 Consolidated Plan identified senior citizen center facility construction and expansion projects including: construction of a senior citizen center and facility expansion project, a courtyard enclosure project, installation of emergency generators, and construction of senior center and nutrition site rehabilitation projects including air conditioning, kitchen upgrades, automatic entry door, building interior/exterior reconstruction, and parking lot, curb, gutter and sidewalk, awnings and re-roofing improvements.

Over \$178,943 of CDBG funds were spent to complete eight (8) senior citizen center projects. These projects constructed one (1) senior center project, and expanded another senior center and improved five (5) other senior centers during the year. Completed projects include construction of a new senior center in the City of Chino, installation of air conditioning improvements to the Bonnie Baker Senior Center in Big River and installation of a swamp cooler at the Havasu Lake Senior Center. Also, a walk in freezer and refrigerator was installed the Barstow Senior Center and an ice maker and freezer were installed at the Hi-Desert Senior Center in Victorville. Further, curb, gutter and handicapped sidewalks were constructed at the Grand Terrace Senior Center. An emergency electrical generator was installed at the Needles Senior Center. During the program year, design was underway for electrical and kitchen improvements to the Scherer Senior Center in Yucaipa, parking lot design at the Mojave Senior Center in Barstow, and design of a passive park adjacent to the Grand Terrace Senior Center. Construction was underway and nearly complete of the Senior Nutrition facility in Bloomington. Purchase and

installation of an emergency electrical generator at the Wrightwood Senior Center was completed pending payment of final costs. Environmental reviews were completed for development of the Mentone Senior Center, and for parking lot improvements at the Scherer Senior Center and the Big Bear Valley Senior Center. Cost estimates and scheduling work were underway for the Lucerne Valley Senior Center kitchen improvements project, for the Newberry Springs Senior Center automatic door project, and for the Pinon Hills Senior Center parking lot improvements project.

Community Center Improvements

The following projects were identified as part of the County's 2003-04 proposed one-year action plan for community center rehabilitation and improvement projects. Construction of neighborhood facility projects including picnic shelters and tables, parking lots, and installation of emergency generators, smoke detectors, heating and air conditioning equipment installation, construction of building additions, re-roofing a health care center, and a community center, interior remodeling improvements; rehabilitate a community center kitchen; installation of replacement doors; assist the acquisition of a substance abuse counseling office building, lease a building to relocate a County branch library, health care clinic property acquisition and site improvements, and construct theatre renovation improvements.

Actual community center accomplishments during the year included the expenditure of nearly \$742,000 of CDBG funds on improvements at nine (9) community centers. Work completed includes: a 1,010 square foot addition to the Lucerne Valley Library, construction of a 1,725 square foot addition to the Chino Community Theater, re-roofing of the Daggett Community Center, installation of heating improvements to the Yucca Valley Community Center, rehabilitation of the Ontario-Pomona Association for Retarded Citizens (OPARC) facility kitchen, and construction of three (3) canopy patio entrances at the Yucca Mesa Community Center. During the year construction was underway for installation of smoke detectors and permanent picnic tables at the Copper Mountain Mesa Community Center, and for Phase IV construction of expansion improvements to the Redlands Community Center. Environmental reviews and construction design work was underway for development of improvements to the Covington Park Community Center in Morongo Valley, improvements to the Y-Alliance facility in Redlands, propane heater replacement at the Landers Association Community building, for an emergency supply storage building at Pioneer Park in Lucerne Valley, for construction of the library portion of the Rancho Cucamonga Cultural Arts Center, for modular classroom rehabilitation at the PAL Center in Muscoy, for rehabilitation of the Oro Grande Community Center kitchen, for replacement of water lines and irrigation systems at the YWCA of the West End facility in Ontario, for re-roofing of the Lucerne Valley Community Center, for rehabilitation of the Hi-Desert Playhouse theater in Joshua Tree, and for re-roofing the Joshua Tree Community Center.

Child Care Center Improvements

As part of the 2003-04 Action Plan, the County proposed to construct rehabilitation improvements to child care centers including installation of modular buildings, and building rehabilitation, re-roofing and classroom expansion improvements.

Work began on installation of a modular unit for provision of children's daycare services at Wilson Elementary School in Colton, in June 2004. Project completion and reimbursement of costs anticipated in September 2004.

Youth Center Improvements

Identified as part of the County's 2003-04 proposed one-year action plan was the construction of youth center projects including restroom and kitchen rehabilitation improvements, swamp coolers installation, purchase and installation of maintenance/energy tracking system, roof repair, and expand a teen center.

Approximately \$189,500 of CDBG funds were spent to construct expansion and rehabilitation improvements to the Yucaipa Teen Center. Design was underway for purchase and installation of five (5) modular units at Mountain Community elementary schools for use by the Boys and Girls Club. Also, environmental review and bid documents were completed for construction of rehabilitation of restrooms at the San Bernardino Boys and Girls Club, and for replacement of swamp coolers at the Boys and Girls Club of the Hi-Desert in the Town of Yucca Valley. Preliminary design was underway for construction of a new Boys and Girls Club facility in Redlands.

Park and Recreation Facility Improvements

The year 2003-04 Action Plan proposed the construction of park and recreation projects including installation of ADA compliant restroom and playground improvements; installation of playground equipment, ADA compliant surfacing, and sprinkler systems and golf course landscaping; rehabilitation of restroom and kitchen facilities; resurfacing of play fields; rehabilitation of swimming pools; construction of snack bars, gym floors, skateboard parks, parking lots, picnic shelters, restrooms, youth sports facilities playgrounds and playground equipment; and, installation of backstops, fencing, athletic field lighting, electronic information sign, dugouts and bleachers.

CDBG funds totaling \$754,631 were spent to complete ten (10) park and recreation facility improvement projects and for construction work on three other projects. Completed projects include: replacement of playground equipment, swimming pool improvements and skateboard park lighting improvements all at Luckie Park in Twentynine Palms, and for gym floor replacement at the Twentynine Palms Junior High School. In the Town of Yucca Valley, construction was completed on a restroom facility, walkways and other improvements at the Hi-Desert Park, for construction of wrought iron fencing at Desert Christ Park, for ballfield lighting of the Yucca Valley Community Center athletic fields and for lighting improvements to the Brehm Youth Sports Park. Further, construction was completed for installation of lighting, restroom upgrades and other improvements to the Blake Little League Field in Muscoy, and for construction of a snack bar and restroom facility at the Essex Park Ballfield in Montclair.

During the year, design work was underway for improvements to the Skateboard Park in Joshua Tree, the restroom improvements at Richardson and Verbena Parks in Adelanto, for the Yermo Sports Park softball improvements, for the "N" Street Mini Parks project in

Colton, for landscaping and irrigation improvements to Veterans Park and the Luque Center in Colton, for rehabilitation of the Fountain of Life Counseling and Employment Training facility at Glen Helen Regional Park, for improvements to Ayala Park restrooms in Bloomington for a picnic shelter and other improvements at Kessler Park in Bloomington, and for expansion of the Hi-Desert Nature Museum in the Town of Yucca Valley.

Fire Station Improvements

The proposed FY 2003-04 single year action plan included numerous fire station improvements, especially in several of the County's outlying areas. These included construction of fire station rehabilitation projects and fire station addition projects, and purchase of radios, defibrillators, fire-fighting equipment, above ground fuel tank, and off road pumper truck.

During the year, no CDBG funds were expended on fire station improvement projects. However, three (3) fire protection equipment purchases were underway for emergency communication radios at four fire stations along the Colorado River, for breathing equipment for the Lucerne Valley Fire Station #111, and for an emergency defibrillator at the Johnson Valley Fire Station #43. Construction of the Muscoy Fire Station was underway. Two (2) fire station improvement projects were underway. Additionally, environmental review and preliminary design work was underway for construction of ADA-compliant restroom improvements at the Wonder Valley Fire Station, and for exterior rehabilitation improvements to the Helendale Fire Station #4.

Social Care Facility Improvements

The County's 2003-04 Action Plan identified the following social care facility improvement needs as part of our proposed one-year action plan: Construction of kitchen improvements to facilities that provide services to severely disabled adults, transitional housing facilities for homeless women, domestic violence shelter kitchen improvements, shower and restroom improvements, domestic-violence-shelter rehabilitation improvements, and purchase and installation of carpeting and tile.

Over \$47,590 in CDBG funds were expended to reimburse costs for completion of three (3) social care facility improvement projects. These projects consist of construction of shower and restroom facility improvements to the Desert Manna Shelter facility in Barstow, conversion of existing buildings for use by the Lucerne Valley Domestic Violence Shelter, and for re-roofing of the St. John of God Health Care Services building in Victorville. Projects completed during the year pending reimbursement of final costs include: roofing and related improvements to the Home of Neighborly Services Social Care facility in San Bernardino and construction of parking lot improvements at the Lucerne Valley Domestic Violence Shelter. Under construction were office/work space and air conditioned enclosure project at the Fontana Rehabilitation Workshop, installation of heating and air conditioning improvements to the Desert Sanctuary Outreach facility in Barstow, and installation of carpeting and flooring at the Haley House Domestic Violence, also located in Barstow.

Environmental review and design work were underway for the Libreria Del Pueblo Immigration Service facility in San Bernardino, for re-roofing of the Oasis Counseling

Center in Barstow, for re-roofing of the Desert Sanctuary Outreach buildings in Barstow, for design and permits for a thrift shop building expansion at the Y-Alliance facility in Redlands, for modular building and site improvements for a health care facility in the City of Chino, and for improvements to the Al-Shifa Health Care Clinic in Muscoy.

Infrastructure Strategy

By upgrading, replacing or developing necessary infrastructure systems, the County of San Bernardino intends to improve the safety and livability of target neighborhoods. We will continue to achieve our goal of developing and sustaining suitable living environments by bettering the infrastructure foundation in target areas. In addition, these infrastructure improvements will also stimulate economic development and growth, primarily in areas where high concentrations of low- and moderate-income persons exist.

Water/Sewer Improvements

The County's 2003-04 Consolidated Plan proposed the construction of water main extension improvements, installation of an emergency generator for water well pumps, rehabilitation of cemetery water systems, and replacement of a water tank.

No CDBG funds were spent on water/sewer improvement projects, however construction was completed on water system improvements to the Earp Fire Station. Project completion pending reimbursement of final costs. During the year, design work was underway for installation of a new water tank in the community of Red Mountain, for installation of an emergency generator for water well pumps in Daggett, and for water well improvements for development of a new cemetery in Lucerne Valley.

Drainage Improvements

The County's 2003-04 Consolidated Plan proposed the construction of storm drain improvement projects.

No CDBG funds were spent for construction of drainage improvements during the year. However, the City of Yucaipa has undertaken preliminary project development and design work for future construction of two separate curb, gutter and storm drain improvement projects in the City of Yucaipa target area and for construction of master storm drain system improvement drainage channels.

Street Improvements

As part of our proposed FY 2003-04 one-year action plan the County intended to construct new streets and reconstruct roads; widen existing highways to support new shopping center; construct trash enclosures; install street name signs, and pave dirt roads.

Over \$1,057,649 of CDBG funds were spent to complete six (6) street improvement projects and to begin construction on three (3) other street improvement projects. Construction was completed for rehabilitation of pavement on the Miller Drive area in Colton, for construction of infill curbs, gutters, sidewalks, wheelchair ramps, driveway approaches, and paving in the area bounded by Third through Seventh Streets and "K" through "N" Streets in Colton, for construction of curb, gutter, sidewalks, driveway approaches, curb returns and ADA-access ramps, and pavement along the north side of 9th Street from Sterling to Del Rosa Avenue in Highland, for construction of missing curb, gutter and sidewalks including ADA-accessible ramps and match-up pavement along Cypress and Cunningham Streets in Highland, for installation of eight (8) road name signs in the Copper Mountain Mesa community, and for paving of Rabbit Springs Road between Midway Avenue and Camp Rock Road in Lucerne Valley. During the year, construction was underway on sidewalk improvements at the corner of Arrow Route and Reseda Avenue in West Fontana. Design was underway for curb, gutter and sidewalk and street improvements to Lankersheim Street in Highland and for curb, gutter and sidewalk improvements along Union Avenue from Orange to Post Street.

Sidewalk Improvements/Neighborhood Revitalization

The proposed FY 2003-04 single year action plan identified the construction of curb, gutter and sidewalk projects including construction of missing segments.

CDBG funds totaling \$634,488 were used to reimburse costs on four (4) completed projects. Parking lot improvement projects involved completion of the Ontario-Pomona Association for Retarded Citizens (OPARC) Monte Vista facility parking lot expansion project in Montclair, and repaving of the Ontario-Montclair YMCA facility parking lot in Ontario. Completion of design for construction of parking lot rehabilitation for handicap-accessibility at Sequoia Middle School Park. Preliminary design was underway for handicap-accessible parking spaces at the Copper Mountain College and for reconstruction of parking lots at the North Norton Center in the Center for Individual Development (CID).

Replacement of broken and missing sidewalk sections in City of Barstow target areas, and construction of curb, gutter and sidewalks along Shasta and Illinois Streets in the City of Colton were completed. Projects under construction include: sidewalk improvements along Van Leuven Street between Orange Grove and San Timoteo Flood Channel, and construction of storm drain improvements and a catch basin along Van Leuven Street, and construction of curb, gutter and sidewalks and driveway approaches along Howard Street between Benson and Vernon Avenues in Montclair. Design and bid package preparation work was underway for street light upgrades in Joshua Tree, for installation of bus shelters in Landers, and for construction of walkways along Lake Drive in Crestline. Preliminary design and project development was underway for the business façade improvements project in the City of Grand Terrace and for acquisition of land for endangered Delhi Sands Flower Loving Fly habitat in the City of Colton.

Public Services Strategy

In addition to implementing the Public Facilities Strategy of Community Development to augment needed local services in target areas, the County of San Bernardino provides for quality public services. By implementing our Public Services Strategy of Community Development, we continue to develop a diverse network of needed services directed toward enhancing the health, safety, and overall well being of low- and moderate-income persons.

Senior Citizen/Handicapped Persons Services

The County's 2003-04 Consolidated Plan proposed the provision of "meals on wheels" nutrition services, senior social services, in-home assistance to senior citizens, home repair services for senior citizens, grocery shopping assistance, health and therapy services, congregate and home-delivered meal services, life enrichment education, senior visitation and referral services, telephone "warmline" service, transportation services for senior citizens, weed abatement services for senior home owners, geriatric care management services for family caregivers, health and day care services, CPR training and defibrillator assistance, and computer education services for senior citizens. Also, provide transportation services for medical and social services and for students with disabilities to receive vocational training, interpreter assistance for deaf persons, therapeutic horseback riding services, therapeutic kayaking off road and wheelchair recreation services.

Nearly \$397,159 of CDBG funds were spent to assist thirty-nine (39) programs providing services to senior citizens or severely disabled adults. These programs were provided by twenty-six (26) agencies that reported assisting over 7,268 seniors and handicapped persons during the year. The agencies assisted include: United States Adaptive Recreation Center (USARC), Searles Valley Community Services Council, Steelworkers Oldtimers Foundation, San Bernardino County Department of Adult and Aging Services, Community Action Partnership of San Bernardino County, City of Montclair, Developing Aging Solutions with Heart (DASH), Highland District Council on Aging, Morongo Basin Adult Health Services, Hinkley Senior Citizens Club, County of San Bernardino Department of Special Districts, Bonnie Baker Senior Citizens Center, Elder Citizen Protection Services, Hi-Desert Meals on Wheels, Reach Out 29, County of San Bernardino Regional Parks Division/San Moritz Senior Citizens, City of Chino Senior Citizens Center, City of Needles, Mountain Rim Fire Safe Council, Mojave Deaf Services, Christmas in April, Red Mountain Senior Council, Apple Valley Fire Protection District, City of San Bernardino Community Services Department, City of Rialto Senior Citizens Center, and Lutheran Social Services.

Children/Youth Services

The following programs were proposed as part of the County's 2003-04 one-year action plan to provide children and youth services: provide youth gang intervention services; guidance and character building services; recreation, counseling and motivational services; Summer swimming and after school activities; music and art education activities; self-esteem and youth leadership education; health and fitness programs, outdoor camping

experiences; self-reliance education programs; youth mentoring skill training and character development services; resource distribution services for at-risk children; advocacy services for abused and neglected children; anti-gang outreach and education services; and, cultural and historical education services.

Just over \$227,854 of CDBG funds were spent to provide twenty-seven (27) service programs to over 19,042 low-and moderate-income youth and their families. The agencies that provided these youth services include:

High Desert Youth Football
City of Yucaipa
Bloomington Parks and Recreation
Redlands Boys and Girls Club
City of Redlands Police Department
Recreation Division
High Desert Youth Center
Barstow Police Activities League
Fountain of Life
Arts Council for San Bernardino County
YMCA of Redlands – Phelan Branch
Mountain Communities Boys and Girls
Club
Boys and Girls Club of San Bernardino
Redlands Community Music Association
Boys and Girls Club of the High Desert
Boys and Girls Club of Fontana

City of Twentynine Palms
City of Chino Youth Museum
One-2-One Mentors
Volunteer Center of San Bernardino
Greater American Care Center –
“Success House 1”
Campfire Boys and Girls, Mt. San Antonio
Council
Victor Valley Community Dental Service
Program
YMCA of Redlands – Highland Branch
Morongo Basin Youth Soccer Association
Mojave Basin Youth Corps
Gang Reduction and Intervention Team
(GRIT)
Town of Yucca Valley

Additionally, over \$42,921 were spent to provide five (5) child care programs serving 579 children from low-and moderate-income families. The agencies that provided these child care services are: Soroptimists International of Big Bear Valley, Somos Hermanas Unidas in Redlands, Joshua Tree Kids Club, and Cypress and Warm Springs Elementary Schools in Highland, and Desert Sanctuary Domestic Violence Shelter in Barstow.

Social Services

As part of our proposed FY 2003-04 one-year action plan, the County intended to participate in following social service programs: provide legal immigration counseling and assistance services; legal aid services to low income and elderly persons; legal immigration and naturalization counseling services, transportation services for expectant mothers to medical health and well baby services; substance abuse counseling and treatment services; substance abuse prevention education services; pregnancy counseling services, domestic violence shelter services; supportive services for tenants in HOME Program funded housing; employment information, education and vocational services; child care services including tuition assistance; after-school child care services; employment training child care services; homelessness prevention case management assistance; mental health counseling services, social service information and referral services; meal programs for homeless persons; health clinic services, emergency food, clothing and housing relief

services; family emergency/disaster recovery services; tattoo removal services; hospice services for terminal patients and their families; advocacy services to abused and neglected children; emergency counseling and assistance services; Alzheimer's Disease support and education services; library services; temporary lodging for families with ill or injured children; and, fair housing counseling and tenant/landlord mediation and referral services.

During the year, more than \$126,229 of CDBG funds were used by eleven (11) social service, outreach, and counseling programs to assist nearly 3,310 low- and moderate-income persons.

Agencies that provided **health and welfare** services include: Al-Shifa Health Care Clinic in Muscoy, Barstow Pregnancy Center, Child Advocacy of San Bernardino, Moses House Ministries in Hesperia, Faith Lutheran Food Pantry in Joshua Tree, Family Services Association of San Bernardino/Crestline Community Services, Ronald McDonald of Southern California, San Bernardino Sexual Assault Services, and Health Education Laser Program.

Operation Breakthrough in Big Bear Lake assisted with **substance abuse prevention** services. Agencies that provided **counseling and referral services** include: Mojave Valley Volunteer Hospice, Oasis Counseling Center in Barstow, and Inland Fair Housing and Mediation Board.

Crime Awareness and Prevention Services

The County's 2003-04 Action Plan proposed to provide vehicles for citizen-patrol community-safety services, sexual assault crisis prevention/intervention and counseling, teen violence prevention services, graffiti abatement, community clean-up and juvenile diversion services.

During the year, approximately \$53,100 CDBG funds were used to provide for crisis intervention and counseling, and substance abuse prevention education. San Bernardino Sexual Assault Services provided crisis counseling and support services in the Cities of Redlands and Yucaipa. San Bernardino Communities Against Drugs provided youth leadership education services for substance abuse prevention to 978 youth in the Third and Fifth Supervisorial Districts. Additionally, WestCare provided substance abuse prevention counseling to 408 youths and their families in the Needles area.

Education, Training, Legal and Referral Services

The County's year 2003-04 Action Plan proposed literacy education services and employment training and placement services, and Native American Indian cultural education.

Approximately \$265,318 of CDBG funds were spent providing twenty-five (25) education, training, legal, and referral service programs. Adult literacy programs were provided at fifteen (15) locations and assisted over 732 persons. Legal Aid Society of San Bernardino

provided legal aid services to 2,579 low-and moderate-income persons throughout the County. Legal immigration services to 208 persons were provided by Libreria Del Pueblo in the Fifth Supervisorial District and to fourteen (14) persons by Catholic Charities in the City of Barstow. Employment education and vocational services were provided to 1,914 people by the Asian-American Resource Center in San Bernardino, and by Partnerships with Industry. Cultural awareness education was provided by the Fontana Native American Indian Center. Anderson School in San Bernardino provided transportation services to 115 developmentally disabled students to allow access to vocational and community participation opportunities. Computer technology instruction by provided by the City of Redlands to twenty-three (23) low-and moderate-income youth and adults.

Accessibility Strategy

To assist governmental agencies in complying with the Americans with Disabilities Act (ADA) guidelines and requirements, the County of San Bernardino intends to help identify, and assist in the elimination of, barriers that restrict the mobility of elderly and handicapped persons. By implementing our Accessibility Strategy of Community Development, the County continues to achieve its suitable living environment goal.

Removal of Architectural Barriers

The County's 2003-04 Consolidated Plan identified these architectural barrier removal needs as part of our proposed one-year action plan: replace playground equipment to comply with Americans with Disabilities Act (ADA) requirements; install ADA-compliant playground equipment; construct ADA compliant restroom and entrance improvements at a city hall, at various public facilities and at county branch libraries; and rehabilitate park restrooms to allow ADA-compliant accessibility.

Nearly \$73,100 of CDBG funds were spent to complete accessibility improvements to remove architectural barriers at two (2) facilities. CDBG funds were used to purchase playground equipment that was constructed by volunteers at the Covington Park Playground in Morongo Valley. Additionally, ADA compliant automatic entrance doors and restroom improvements were installed at the Twentynine Palms County Branch Library. Construction was completed pending payment of final costs for construction of rehabilitation improvements to restrooms at Sturnacle Park in Barstow to provide improved handicap access. During the year, design was underway or completed for ADA restroom improvements at the Barstow City Hall, for wheelchair curb cuts in the City of Redlands, ADA-compliant curb cuts and sidewalks at the corner of Cypress and Monterrey Streets in the City of Redlands, for ADA accessible playground equipment at Jack Smith Park in Needles, for handicap accessible paths at Yucaipa Regional Park, for installation of ADA compliant spectator bleachers at the Tri-Valley Little League Park in the Town of Yucca Valley, for restroom improvements to the Cora M. Harper Community Center in the City of Barstow, for ADA compliant automatic entrance doors and restroom improvements to the Big Bear Lake County Branch Library, and the Montclair Branch County Library.

Historic Preservation Strategy

The restoration of sites and structures that have historic significance is another strategy implemented by the County of San Bernardino to encourage and support the safety and livability of target neighborhoods. By developing and implementing historic restoration and preservation plans, the County furthers its goal of achieving suitable living environments.

Historic Preservation

The proposed FY 2003-04 single year action plan identified the need to Relocate and/or rehabilitate historic buildings, and re-roof an historic building.

During the year, CDBG funds totaling nearly \$45,200 was spent on completion of two (2) projects to restore historic buildings. The Colton Museum was repaired and repainted and its roof was reconstructed. Three (3) adobe walls were restored and one (1) gatehouse structure was rehabilitated along with drainage improvements at the Assistencia Mission Museum in Redlands. During the year construction was in progress for rehabilitation by volunteer labor of the Bloomington Garage. Also, design work was underway for improvements to the Old Schoolhouse Museum in the City of Chino, historic preservation improvements to the Mission Gables Bowl in Redlands, for rehabilitation and for improved access to the Warrens Well historic landmark in Morongo Basin.

Code Enforcement Strategy

As another means of improving the safety and viability of target neighborhoods, the County of San Bernardino assists with the provision of code enforcement activities in these areas. The incorporation of code enforcement activities coupled with programs which correct or cause the removal of blight or blighting influences assist in our stated goal of developing and sustaining suitable living environments, especially in areas of low- and moderate-income concentrations.

Code Enforcement

The County's 2003-04 proposed one-year action plan proposed the provision of inspections for compliance with building codes and implement neighborhood revitalization programs.

The County expended \$80,542 of CDBG funds to assist two (2) code enforcement programs resulting in the inspection of nearly 1,760 properties for compliance with local building codes in the cities of Highland and Montclair.

Demolition/Clearance

The proposed FY 2003-04 single year action plan recognized the need to demolish and clear substandard buildings abandoned commercial and residential buildings.

Approximately \$56,756 of CDBG funds were spent to reimburse costs for demolishing and

removing fifteen (15) structures that presented health and safety concerns in the City of Needles, and in unincorporated areas of the Fifth Supervisorial District.

Blight Abatement

The proposed FY 2003-04 one-year action plan listed the need to provide blight abatement, including clearance of illegal dumping sites and graffiti removal.

\$6,545 of CDBG funds were spent to remove debris, trash and abandoned vehicles from two (2) sites located in the unincorporated areas of the Fifth Supervisorial District. Additionally, graffiti was removed from 19,574 sites in Montclair, West Fontana and from unincorporated areas in the Third and Fifth Supervisorial Districts, at a cost of \$191,410.

Economic Development Initiative Grants

The County of San Bernardino completed 6 Economic Development Initiative Grants. The grants completed are 1) Barstow Fogelsong Park Pool closed out October 2002, 2) Yucaipa Soccer Fields closed out October 2002, 3) Victorville Riverwalk Nature/Bike Trail closed out February 2003, 4) Route 66 Roadway Signs closed out October 2002, 5) Spring Valley Lake Baseball/Softball Complex closed out February 2003, and 6) park for Running Springs area sent to HUD for closure September 2004.

The County of San Bernardino sends report back to Washington D.C. every six months on the status of the remaining grants. The grants are 1) County's Shack Attack program, 2) Running Springs Revitalization, 3) Rehabilitation of wading pool at Fogelsong Park, 4) Big Bear Moonridge Zoo Relocation (first grant), 5) the Hall of Paleontology at the County Museum, and 6) Crestline Revitalization Houston Creek Project.

Expanded Economic Opportunities

While the County of San Bernardino continues to enjoy some of the lowest levels of unemployment in the state, we continue to lose companies and jobs due to some of the highest energy rates in the country and the high cost of doing business in California.

The migration of people inland continues, as people search for affordable housing. In fact, the majority of the growth in the county in the last 3 years did not come from natural increase, but rather from people moving into the area. The number of people migrating to the County was almost double the natural increase of the population.

They come because they cannot afford to buy homes in Los Angeles or Orange Counties. The median home price in San Bernardino County is over \$140,000 lower than Los Angeles County and almost \$290,000 lower than the median price in Orange County. But while our median home price is the lowest in Southern California, our housing affordability index is falling. San Bernardino County's median home price as of July, 2004 is \$300,000, which is up 36.8% over the same time last year. This rise has actually lowered the housing

affordability in San Bernardino County by 20% over the same time last year, according to the California Association of Realtors in a report issued in early September 2004. In other words, last year, 45% of the population could afford a median-priced home. This year, only 25% of the population in the County can afford a median-priced home.

Job growth continues to fall short of the number needed to match the growing population of 1,869,300 as of July 2003. As a result, more than 21% of the County's commuter workforce travels to Los Angeles and Orange Counties for employment. Some who commute out of our County for good jobs are people who had been employed in the manufacturing sector, which is in decline.

Overall, San Bernardino County showed signs of growth in manufacturing jobs and gross sales as compared to its neighboring counties, but had the fewest number of new manufacturing establishments. The County's 2000 average manufacturing worker's salary is 42% less than that of the State average and ranked 35th, out of 58 counties for manufacturing wages. This is an unfortunate scenario for the County, since median wages paid in manufacturing are 50% higher than the County's median wage.

Many companies, including manufacturers, have downsized and are cautious and slow in rehiring and with the economy still slowing, job hiring as seen in the late 1990's is not anticipated any time soon. In addition, companies are increasingly hiring employees on short contracts or on a part time basis providing little or no benefits, which will continue to impact the region in future years. In addition, companies are taking their manufacturing jobs to other countries where the wages are lower, further impacting the manufacturing sector.

California's Employment Development Department (EDD) reports that as of August 2004, California's unemployment rate was 5.8%, down from 6.2% in July. This is the lowest unemployment rate since September 2001. In August 2003, California's unemployment rate was 6.8%. In San Bernardino County, the unemployment rate in August 2004 was 5.3% of its labor force of 879,400, or 47,600 unemployed County residents.

In education, the California Department of Education reports that County student enrollment for 2003-04 was up 9.7% in San Bernardino County over 2002-03 numbers. Over the last 5 years, high school graduation rates have remained relatively unchanged, bouncing up and down between a high of 85.7% in 1999-2000 and a low of 83.6% in 1998-99. In 2002-03, the graduation rate in the county was 85.1%. Efforts are currently underway to bridge the education gap and provide training opportunities for skilled technical workers. The Alliance for Education is seeking to increase these opportunities as well as provide elementary and high school children with increased exposure to math and science.

The County continues to establish programs and projects to promote a diversified expansion of the County's economic base. Incentives to business include permitting assistance, employment tax credits, mediation services, labor market information support services, referral services and business loans. By partnering with other County departments such as Jobs and Employment Services Department, efforts to reach out to the County's businesses are being maximized. Two Business Resource Centers/

Employment Resource Centers have opened to help meet the needs of new businesses or businesses looking to expand. They also offer assistance to job seekers to help inform them of employment opportunities.

In addition to utilizing CDBG dollars for direct project funding, the County's economic development capacities have been complimented by the continued development of the Agua Mansa Enterprise zone and the development of data to enhance the implementation of the Countywide Economic Development Strategic Plan.

Through continued implementation of the Economic Development Strategy, the County continues to maintain and expand viable urban communities.

Economic Development Strategy

As a way of improving the health and welfare of target neighborhoods and promoting the long-term economic viability of communities, the continuation of economic expansion opportunities is essential. The County of San Bernardino, by implementing and continuing to expand its economic development strategy, pursues its goal of developing and sustaining suitable living environments, especially in areas of low- and moderate-income concentrations.

Business Expansion Loans

As identified in its 2003-04 Action Plan, the County proposed to continue utilizing approximately \$996,400 of CDBG funds for business expansion loans, leveraging a minimum of \$1,496,000 in private financing and equity investment. These loans would be directed toward the stabilization, expansion and/or creation of business and industry. As a result, at least 28 jobs for low-and moderate-income persons would be created or retained.

In fiscal year 2003-04 three loans were approved providing \$1,090,000 in CDBG funds, committed to creating,34 new jobs (18 l/m) were created this program year from existing projects.

Small Business Enhancement Loan Program

As part of the County's 2003-04 proposed one-year action plan, we planned to continue utilizing approximately \$125,000 of prior year CDBG funds for business expansion loans to small businesses for creation or retention of jobs through the stabilization, expansion or creation of business and industry. The Small Business Enhancement Loan Program (SBEL) may provide \$5,000 to \$50,000 in financing to a small business, which is defined as having annual sales of less than \$1.0 million.

\$278,796 of CDBG funds were provided to six businesses during fiscal year 2003-04 with the result of creating seven permanent position for seven low-and moderate-income person.

Micro-Enterprise Loan Program

In the 2003-04 fiscal year, the County continued utilizing approximately \$125,000 of prior year CDBG funds for business loans to Micro-Enterprises. A Micro-Enterprise is defined as:

- a for-profit entity with five or fewer employees
- one or more of whom owns the business and is directly involved in the provision of goods or services that are offered by the business
- the business requires \$25,000 or less of County assistance for the project.

During fiscal year 2003-04 no CDBG funds utilized to provide financial assistance to Micro-Enterprises. However, two jobs were created from previously funded businesses.

HUD Section 108 Loan Program

Under the FY 2003-04 action plan, the County would utilize approximately \$475,000 in 1995-96 Economic Development Initiative (EDI) funds as a debt service reserve (\$205,000) and as capital (\$270,000) for a small business financing program. The County combined the EDI funds with \$1,360,000 in HUD Section 108 funds to implement the countywide business financing program. The program would allow business owners to expand their operations and create new jobs, of which persons meeting low-and moderate-income requirements must fill 51% or more.

During the 2003-04 fiscal year, no Section 108 loans were made. Existing projects created 7 new jobs, 5 for low- and moderate-income persons.

CDBG Float Loan

No new float loans were authorized or approved as part of the County's 2003-04 proposed one-year action plan.

\$1,000,000 of CDBG funds were provided to one business during fiscal year 2002-03 with the result of retaining 110 permanent jobs and creating 17 new positions in 2002-03 and 17 new positions in 2003-04 for a total of 34 new job (25 jobs for low-and moderate-income persons).

The project leveraged approximately \$20 million in private financing and equity investment.

Technical Assistance

The County's Office of Small Business Development has provided technical assistance to 135 businesses through workshops and seminars; 44 businesses were interviewed for funding assistance resulting in 4 receiving SBA financing totaling \$615,000. Those businesses receiving assistance included small businesses, micro-enterprises, and public agencies located in the County. Technical assistance was provided for business expansion purposes.

The Inland Empire Small Business Development Center was allocated \$50,000 of CDBG funds to providing technical assistance to 1,112 businesses. Primary areas of assistance were 71 percent seeking assistance in preparing financing packages, 19 percent seeking information regarding government procurement requirements.

Public Benefit – Aggregate

During 2003-04 the County expended \$1,368,796 to provide loans under the Business Expansion Loan Program, and the Small Business Enhancement Loan Program. These four programs were subject to meeting the aggregate public benefit standard of more than one (1) job per \$35,000 expended. The loans were made to create or retain a total of 66 full time jobs. As a result, one (1) job per \$19,278 expended will be created or retained.

Job Creation/Retention Activities - Businesses Assisted

The following pages outline the status of each current business loan and provides an analysis of the national objective and public benefit compliance of each loan. Official loan and employment documents were utilized to provide this information. Understandably, most employers do not maintain a constant level of employees over time. Turnover through attrition is a major factor causing the County to monitor only full time employee positions as defined in Section 2(a) of the Loan Authorization, which was the method utilized in preparing this report. Additionally, income levels based on 80% of the County median (*FY 2000 HUD Section 8 limits for the Riverside - San Bernardino PMSA*), were utilized to determine the low- and moderate-income resident impact. The income limits for this past year were as follows:

Family Size	1	2	3	4	5	6	7	8+
Income Limits	\$30,400	34,750	39,100	43,450	46,900	50,400	53,850	57,350

STATUS OF CURRENT BUSINESS LOAN

COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN PROGRAM

Project Name: Jose F. and Guadalupe Franco dba El Lienzo Charro Restaurant		
HUD Activity Number 3697	Project No./Acct No. 022-08032	Loan Approval Date 5/15/2003
Address 15026 Holly Drive – Fontana (Uncorp), CA 92335		
Location 15026 Holly Drive – Fontana (Uncorp), CA 92335		
Funding Amount \$50,743		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for purchase of equipment, inventory and working capital.		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(B) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate- income persons.		
Census Tract No: 34		
Census Tract Low Mod %: Not applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons.		
Public Benefit: The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,371 per job. The public benefit standards for this individual activity has been met.		
Jobs Required/Projected: 2 jobs (1 1/m)		
Jobs Created: 2		
Low-Mod Jobs Created (included in jobs created): 3		
Is Borrower still in business? Yes, If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Loan Balance as of 6/30/2002 - \$42,857 Account is current Project has met job creation requirements and will no longer be reported.		
If loan not repaid, how was collateral addressed? 3 rd TD on residence UCC-1 on business assets Personal Guaranty on business owner.		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Bernard Frehner dba Total Concepts		
HUD Activity Number 4027	Project No./Acct No. 022-0841/25816	Loan Approval Date 4/14/04
Address 30518 Independence – Redlands, CA 92373		
Location 1500 Crafton Avenue – Wing B – Mentone, CA 92373		
Funding Amount \$50,730		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for purchase of restaurant equipment, inventory and working capital.		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate- income persons.		
Census Tract No: 86		
Census Tract Low Mod %: Not Applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons.		
Public Benefit: The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job. The public benefit standards for this individual activity has been met.		
Jobs Required/Projected: 2 jobs (1 1/m)		
Jobs Created: 2		
Low-Mod Jobs Created (included in jobs created): 2		
Is Borrower still in business? Yes. If activity not completed, projection for completion: 0		
Loan Balance and Status (e.g., work-out, collection, other): Loan Balance as of: June 30, 2004 - \$49,270 Account is current. Project has met job creation requirements and will no longer be reported.		
If loan not repaid, how was collateral addressed? UC-1 on business assets Personal Guaranty of business owner		

STATUS OF CURRENT BUSINESS LOANS

COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Michael Nyberg dba Monkey Arms		
HUD Activity Number	Project No./Acct No. 022-08035/2567	Loan Approval Date 3-1-04
Address 584 Christopher Lane – Redlands, CA 92376		
Location Same as above		
Funding Amount \$40,325		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for purchase of equipment and working capital.		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate- income persons		
Census Tract No: 84.02		
Census Tract Low Mod %: Not Applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons.		
Public Benefit: The public benefit standards requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$20,000 per job. The public benefit standards for this individual activity has been met.		
Jobs Required/Projected: 0 jobs (1 l/m)		
Jobs Created: 2		
Low-Mod Jobs Created (included in jobs created): 2		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Loan Balance as of: June 30, 2004 - \$39,720 Account is current This is a new loan. Borrowers had just received funding and were purchasing new equipment.		
If loan not repaid, how was collateral addressed? 2 nd TD on residence UCC-1 on Business Assets Personal Guaranty on business owner		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Cheryl Miller dba Cherrie Miller & Associates		
HUD Activity Number	Project No./Acct No. 022-08034/2530	Loan Approval Date 7-21-03
Address 55857 Twentynine Palms Highway – Yucca Valley, CA		
Location Same as above		
Funding Amount \$50,743		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for purchase of equipment and working capital		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate- income persons		
Census Tract No: 104.05		
Census Tract Low Mod %: Not applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons.		
Public Benefit: The public benefit standards for this individual activity has been met.		
Jobs Required/Projected: 2 jobs (1 l/m)		
Jobs Created: 2		
Low-Mod Jobs Created (included in jobs created): 1		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Loan balance as of: June 30, 2004 - \$41,983 Account is current Project has met job creation requirements and will no longer be reported		
If loan not repaid, how was collateral addressed? 2 nd TD on residence Personal Guaranty on business owner		

STATUS OF CURRENT BUSINESS LOANS

COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Eileen Blackwell dba All Seasons Resorts		
HUD Activity Number 4029	Project No./Acct No. 022-08042/2589	Loan Approval Date 4-7-04
Address 41348 Big Bear Blvd – Big Bear Lake, CA 92315		
Location Same as above		
Funding Amount \$50,730		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for working capital.		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate- income persons		
Census Tract No: 114		
Census Tract Low Mod %: Not Applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons.		
Public Benefit: The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job. The public benefit standards for this individual activity has not been met due to this being a new loan.		
Jobs Required/Projected: 2 jobs (1 1/m)		
Jobs Created: 1		
Low-Mod Jobs Created (included in jobs created): 1		
Is Borrower still in business? Yes If activity not completed, project for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Loan Balance as of June 30, 2004 - \$49,293 Account is current This is a new loan. Borrowers had just received funding and were purchasing new equipment.		
If loan not repaid, how was collateral addressed? 2 nd TD on residence UCC-1 on business assets Personal Guaranty on business owner		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Scott Crane dba Morrison Hope Roofing		
HUD Activity Number	Project No./Acct No. 02-08033/2526	Loan Approval Date 6-20-03
Address 640 W. 40 th Street – San Bernardino, CA.		
Location Same as above		
Funding Amount \$50,743		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for purchase of equipment.		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to low- and moderate- income persons		
Census Tract No: 45.03		
Census Tract Low Mod %: Not Applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons.		
Public Benefit: The public benefit standard requires spending less than \$35,000 per full-time job created or retained. The loan provides assistance at the rate of \$25,000 per job. The public benefit standards for this individual activity has been met.		
Jobs Required/Projected: 2 jobs (1 l/m)		
Jobs Created: 2		
Low-Mod Jobs Created (included in jobs created): 2		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Loan Balance as of: June 30, 2004 - \$43,430 Account is current Project has met job creation requirements and will no longer be reported		
If loan not repaid, how was collateral addressed? 2 nd TD on residence Personal Guaranty on business owner		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Katherine Krok dba Studio K		
HUD Activity Number 3977	Project No./Acct No. 022-08035/2563	Loan Approval Date 12-15-03
Address 425 Citrus Avenue – Redlands, CA 92373		
Location Same as above		
Funding Amount \$35,525		
Description of the activity funded with HUD funds Small Business Enhancement Loan provided for purchase of studio equipment and working capital		
Was federal funding expended for purpose intended? Yes		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate- income persons		
Census Tract No: 84.04		
Census Tract Low Mod %: Not applicable		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4) – An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and moderate- income persons. Public Benefit: The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$35,000 per job. The public benefit standards for this individual activity has been met.		
Jobs Required/Projected: 2 jobs (1 l/m)		
Jobs Created: 2		
Low-Mod Jobs Created (included in jobs created): 1		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Loan Balance as of: June 30, 2004 - \$34,085 Account is current Project has met job creation requirements and will no longer be reported		
If loan not repaid, how was collateral addressed? UC-1 on business assets Personal Guaranty on business owner		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Eric and Lynn Schwartz dba Get the Point Embroidery		
HUD Activity Number 2358	Project No./Acct No. 022-08020.2072	Loan Approval Date 9/6/2000
Address 928 Tinkerbell Avenue, Big Bear City CA		
Location 712 Big Bear Blvd, Big Bear Lake CA		
Funding Amount \$50,739.73		
Description of the activity funded with HUD funds Small Business Enhancement Loan to purchase inventory and for working capital.		
Was federal funding expended for purpose intended? Yes.		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
Census Tract No: Not applicable		
Census Tract Low Mod %: Not applicable.		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4)- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low-and moderate-income persons.		
Public Benefit: The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance a the rate of \$25,370 per job. This loan is expected to provide assistance at the rate of \$25,372 per job, once the second job is created.		
Jobs Required/Projected: 2 jobs (1 1/m)		
Jobs Created: 0		
Low-Mod Jobs Created (included in jobs created): 0		
Is Borrower still in business? Yes If activity not completed, projection for completion: 9/6/2007		
Loan Balance and Status (e.g., work-out, collection, other): Balance as of 6/30/2004 \$21,428 Account is current. Borrower has not met job creation at this time. Big Bear is a resort area dependent on tourists. During the past 2-3 years, the tourist industry has been low due to the little and late snow. In addition, tourism has declined further due to the uncertainty of the economy and scare from 9-11.		
If loan not repaid, how was collateral addressed? 3 rd TD on residence. UCC-1 on business assets. Personal Guaranty of business owners.		

STATUS OF CURRENT BUSINESS LOANS

COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN

Project Name D. Ghulam Omar dba Metro Used Cars		
HUD Activity Number 4028	Project No./Acct No. 020-24684/2585	Loan Approval Date 4/20/2004
Address 18356 Valley Blvd., Bloomington CA 92316		
Location 18356 Valley Blvd., Bloomington CA 92316		
Funding Amount \$320,000		
Description of the activity funded with HUD funds Business Expansion Loan provided for purchase of furnishings and equipment and working capital.		
Was federal funding expended for purpose intended? Yes.		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.		
Census Tract No: 36.02		
Census Tract Low Mod %: Not applicable.		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4)- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low-and moderate-income persons.		
Public Benefit: The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,000 per job. The public benefit standards for this individual activity has not been met due to this being a new loan.		
Jobs Required/Projected: 10 jobs (1 1/m)		
Jobs Created: 0		
Low-Mod Jobs Created (included in jobs created): 0		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Balance as of 6/30/2004 \$319,265 Account is current. This is a new loan. Borrowers had just received funding and were purchasing new equipment.		
If loan not repaid, how was collateral addressed? 1 st TD on commercial property. Personal Guaranty on business owner.		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-BUSINESS EXPANSION LOAN

Project Name Auberry Forest Products		
HUD Activity Number 3980	Project No./Acct No. 020-24682/2564	Loan Approval Date 12/1/2003
Address 29029 Hook Road, Cedar Glen CA		
Location 29029 Hook Road, Cedar Glen CA		
Funding Amount \$350,000		
Description of the activity funded with HUD funds Business Expansion Loan provided for purchase of equipment.		
Was federal funding expended for purpose intended? Yes.		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
Census Tract No: 110		
Census Tract Low Mod %: Not applicable.		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4)- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low-and moderate-income persons.		
Public Benefit: The public benefit standard requires spending \$35,000 or less per full-time job created or retained. This loan provides assistance a the rate of \$35,000 per job. The public benefit standards for this individual activity has not been met due to this being a new loan.		
Jobs Required/Projected: 10 jobs (1 1/m)		
Jobs Created: 4		
Low-Mod Jobs Created (included in jobs created): 3		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Balance as of 6/30/2004 \$344,729 Account is current. This is a new loan. Borrowers had just received funding and were purchasing new equipment.		
If loan not repaid, how was collateral addressed? 3 rd TD on residence. UCC-1 on business assets. Personal Guaranty on business owner.		

STATUS OF CURRENT BUSINESS LOANS

COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Catalyst Development Corporation		
HUD Activity Number 2575	Project No./Acct No. 022-08025/2197	Loan Approval Date 7/6/2001
Address 56925 Yucca Trail #254, Yucca Valley CA		
Location 56925 Yucca Trail #254, Yucca Valley CA		
Funding Amount \$50,743		
Description of the activity funded with HUD funds Small Business Enhancement loan to a software developer and publisher of innovative software tools for end-user community. Loan utilized for machinery and equipment purchases and for working capital.		
Was federal funding expended for purpose intended? Yes.		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low- and moderate-income persons.		
Census Tract No: Not applicable.		
Census Tract Low Mod %: Not applicable.		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4)- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low-and moderate-income persons.		
Public Benefit: The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$25,000 per job. This loan is expected to provide assistance at the rate of \$25,372 per job, once the second job is created.		
Jobs Required/Projected: 2 jobs (1 1/m)		
Jobs Created: 1 - Technician		
Low-Mod Jobs Created (included in jobs created): 0		
Is Borrower still in business? Yes If activity not completed, projection for completion: 7/6/2008		
Loan Balance and Status (e.g., work-out, collection, other): Balance as of 6/30/2004 \$35,714 Account is current. Company experience lower revenues due to lower orders. Most orders are from government sources. With current recession and budget problems with California state, orders have been slower. Company is attempting to diversify market.		
If loan not repaid, how was collateral addressed? 3 rd TD on residence. UCC-1 on business assets. Personal Guaranty on three officers.		

STATUS OF CURRENT BUSINESS LOANS

COUNTY OF SAN BERNARDINO-FLOAT LOAN

Project Name Moss Bros. Ford		
HUD Activity Number 3221	Project No./Acct No. 350-27323/2359	Loan Approval Date 7/23/2002
Address 1700 Valley Blvd., Colton CA 92324		
Location 1700 Valley Blvd., Colton CA 92324		
Funding Amount \$1,000,000		
Description of the activity funded with HUD funds Funds utilized to expand dealership in Coltonss.		
Was federal funding expended for purpose intended? Yes.		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
Census Tract No: 36.02		
Census Tract Low Mod %: Not applicable.		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4)- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low-and moderate-income persons.		
Public Benefit: The public benefit standard requires spending less than \$50,000 per full-time job created or retained. This loan provides assistance at the rate of \$6,944 per job. The public benefit standards for this individual activity have been met. Company retained 110 positions and created 34 new positions.		
Jobs Required/Projected: 110 jobs retained; 30 new		
Jobs Created: 110 jobs were retained; 34 new positions created.		
Low-Mod Jobs Created (included in jobs created): 9		
Is Borrower still in business? Yes If activity not completed, projection for completion: 1/25/2006		
Loan Balance and Status (e.g., work-out, collection, other): Balance as of 6/30/2002 \$808,899 Account is current. Company has completed expansion. Company has met its job creation goals. Project will no longer be reported.		
If loan not repaid, how was collateral addressed? Letter of Credit through Comerica Bank.		

STATUS OF CURRENT BUSINESS LOANS
COUNTY OF SAN BERNARDINO-SMALL BUSINESS ENHANCEMENT LOAN

Project Name Pico Rivera Pallet Corp.		
HUD Activity Number 3979	Project No./Acct No. 020-24081/2557	Loan Approval Date 12/2/2003
Address 240 Congress Street, Colton CA		
Location 240 Congress Street, Colton CA		
Funding Amount \$420,000		
Description of the activity funded with HUD funds Business Expansion Loan provided for purchase of equipment and working capital.		
Was federal funding expended for purpose intended? Yes.		
Eligibility: Eligible under 24CFR570.203(b) The loan recipient must document that at least 51 percent of the jobs will be held by, or will be available to, low-and moderate-income persons.		
Census Tract No: 69		
Census Tract Low Mod %: Not applicable.		
National Objective: Eligible under 24CFR570.208(a)(4)(i). Project meets National Objective requirements under 24CFR570.208(a)(4)- An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involved the employment of low-and moderate-income persons.		
Public Benefit: The public benefit standard requires spending less than \$35,000 per full-time job created or retained. This loan provides assistance at the rate of \$32,307 per job. The public benefit standards for this individual activity has not been met due to this being a new loan.		
Jobs Required/Projected: 13 jobs (1 1/m)		
Jobs Created: 3		
Low-Mod Jobs Created (included in jobs created): 3		
Is Borrower still in business? Yes If activity not completed, projection for completion: 5/15/2010		
Loan Balance and Status (e.g., work-out, collection, other): Balance as of 6/30/2004 \$415,134 Account is current. This is a new loan. Borrowers had just received funding and were purchasing new equipment.		
If loan not repaid, how was collateral addressed? 2 nd TD on commercial property. 3 rd TD on residence. UCC-1 on business assets. Personal Guaranty on business owner.		

Citizen Comments

As of September 28, 2004, the County Department of Economic and Community Development had not received any citizen comments on the draft 2003-2004 Annual Performance Review (APR). Neither did the County Economic and Community Development Department receive any citizen comments at the September 14, 2004, public hearing before the San Bernardino County Board of Supervisors.

Overall Assessment And Evaluation

PERFORMANCE MEASURES

During the 2003-04 reporting year the County did not use a performance measurement system. However, work has begun on developing a system to identify, collect, and report both short term and long term accomplishments and the resulting outcomes for the activities funded by HUD grants.

The County of San Bernardino, is participating in the Joint Grantee/HUD/OMB/COSCD, NCDA, and NACCED Performance Measurement Working Group*, a group of national organizations of local and state grantees collaborating to refine a "Performance Outcome Measurement System" framework. This effort, which is in response to CPD Notice 03-09, is expected to lead to a comprehensive approach to the measurement of outcomes for HUD's four major community development formula grant programs - Community Development Block Grants, HOME Investment Partnerships Program, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS. Once designed, the system will include objectives, outcomes and indicators for each type of activity undertaken with funds made available from these programs.

In addition to utilizing the current Integrated Disbursement and Information System (IDIS) system to capture and report actual and expected units of accomplishment for each activity, and in preparation for the 2004-05 program year CAPER Report, we are working with our public service subrecipients to identify and collect measurable performance outcomes related to the units of service for each type of activity. We expect to merge our findings with the Performance Measurement Working Group system framework, federal regulations and with HUD recommendations, to create a performance measurement and reporting system that will enable us to analyze and report both project productivity and the program impact.

Because of the many types of projects and services provided along with other outside factors that impact outcomes it is a challenge to develop consistent and quantifiable outcomes.

* Joint Grantee/HUD/OMB/COSCD/NCDA and NACCED Performance Measurement Working Group:

OMB - federal Office of Management and Budget

COSCD – Council of State Community Development Agencies

NCDA – National Community Development Association

NACCED – National Association for County Community and Economic Development

SELF EVALUATION

The County's overall annual performance for July 1, 2003 through June 30, 2004 shows that we've made great advances in achieving our established goals as stated in the approved Consolidated Plan. In numerous areas, we have surpassed the established numeric goals. While we may not have met goals in every instance, we have made great improvements throughout the County of San Bernardino and will continue to do so. The ongoing improvement of computerized procedures will enable us to continue our productivity in the future.

This concludes the Annual Performance Review for the 2003-04 Action Plan. The Department of Economic and Community Development wishes to acknowledge the support of the County Board of Supervisors. ECD also wants to recognize the able assistance provided by the thirteen (13) cooperating cities, numerous County departments, and an even greater number of non profit agencies, in planning and carrying out the over 200 programs and projects covered in this report. The success of the three (3) HUD programs discussed here allows Congress the latitude needed to continue the full funding of these grants – Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), and the HOME Investment Partnerships Act (HOME) – to local governments.

